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12 May 1989

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General

Foreign Ministry Terms VOA Report 'Groundless' *OW1205103489 Beijing XINHUA in English* 1009 GMT 12 May 89

[Text] Beijing, May 12 (XINHUA)—The report by the Voice of America that the Chinese Government rejected Soviet leader Gorbachev's request for making a speech at a university in Beijing "is groundless," a Chinese Foreign Ministry spokesman pointed out here today.

The spokesman made the statement when reporters asked him today to confirm VOA's report that Gorbachev expressed interest in making a speech at a university in Beijing but it was rejected by the Chinese Government.

"China and the Soviet Union have never discussed this question. There is no such arrangement as you described in the itinerary for Gorbachev's visit to China as agreed upon by the two sides," the spokesman said.

UN Envoy on PRC Position on Arms Transfers *OW1205011389 Beijing XINHUA in English* 0017 GMT 12 May 89

[Text] United Nations, May 11 (XINHUA)—Chinese Ambassador for Disarmament Fan Guoxiang made a 9-point statement here today on the question of international arms transfer at the Disarmament Commission during its deliberations on conventional disarmament.

This is the first time that China has made known its positions on this issue at the United Nations in a comprehensive and detailed manner.

As member states have expressed different views on this issue in recent years, China's statement today attracted much attention from other delegations. The Disarmament Commission is going to publish a working paper containing the nine points which were submitted by China earlier in the week as an official document of the General Assembly.

The commission, currently meeting in New York, is a deliberative body of the General Assembly with the participation of all U.N. member states.

The 9-point position statement by Fan Guoxiang is as follows:

1. The question of international arms transfer should be addressed with a serious, discreet and responsible attitude. The transfer of arms must serve to safeguard the independence, sovereignty and territorial integrity of the states concerned, and to contribute to the maintenance of their necessary and reasonable defense capability. No country should interfere in the internal affairs of others by means of arms transfer.

2. The international arms transfer should help the people in their just struggles against colonial domination, foreign aggression and occupation and for the realization or restoration of their inalienable rights to national self-determination and independence.

3. The international arms transfer should be conducive to preservation and enhancement of peace, security and stability in the regions concerned and the world at large.

4. Strict prohibition of all types of arms transfer should be applied to those states or regimes which, in violation of the United Nations charter and the basic norms governing international relations, subject other countries to aggression, expansion and military occupation and practice racism and colonial domination. The countries concerned should take vigorous measures to stop international arms transfer which is related to such illegal acts as drug trafficking and international terrorism and to strengthen international cooperation in this respect.

5. The question of the international arms transfer should be addressed in conjunction with the questions of reducing international tension, removing regional conflicts, checking arms race and realizing disarmament under effective supervision.

6. On the basis of compliance with the above-mentioned principles, rational regulation and limitation of international arms transfer could be made so as to promote stability at a low armament level and enhance world peace and security.

7. The biggest arms supplier countries bear a special responsibility in regulating and limiting international arms transfer, and they should be the first to take actions. The United States of America and the Union of the Soviet Socialist Republics should take the lead in adopting concrete and effective self-restraining measures, including drastic reduction in their arms exports, so as to create favourable conditions for consultations and negotiations among all arms supplier and recipient countries on the rational regulation and limitation of international arms transfer.

8. The arms supplier and recipient countries, as well as other countries concerned, should be encouraged to carry out consultations and negotiations on an equal footing based on the principle of undiminished security of all the parties and other relevant principles as contained in the final document of the first special session of the United Nations General Assembly devoted to disarmament, and reach agreement on the rational regulation and limitation of international arms transfer.

9. The United Nations should play a useful role in rationally regulating and limiting international arms transfer. For instance, it should urge the biggest arms

supplier countries to discharge their special responsibility and take the lead in adopting self-restraining measures, it should encourage all states to carry out consultations and reach agreement on the rational regulation and limitation of arms transfer and provide necessary consulting and technical services to them, and it should initiate studies and formulate necessary and effective measures against such arms transfer which should be prohibited.

PRC Submits Working Paper to UN on Disarmament
OW1105073789 Beijing XINHUA in English
0644 GMT 11 Apr 89

[Text] United Nations, May 10 (XINHUA)—China has called on the United States and the Soviet Union to take the lead in halting the test, production and deployment of all types of nuclear weapons, and to drastically reduce their nuclear arsenals.

In a working paper submitted to the Disarmament Commission earlier this week, China recommends basic elements to be included in a declaration of 1990s as the Third Disarmament Decade. The paper was made public here today as a document of the General Assembly.

The commission, currently meeting in New York, is trying, among other things, to formulate a draft declaration of principles governing the 1990s designated by the General Assembly as the Third United Nations Disarmament Decade.

Among the goals China suggests is an agreement by the two major nuclear powers as soon as possible to reduce by 50 percent the number of their strategic nuclear weapons.

Other goals include the conclusion at an early date of a convention on a total ban of chemical weapons, an early and productive conclusion to conventional disarmament talks in Europe, and averting an arms race in outer space.

The working paper calls for the adoption without delay of vigorous measures to check new tendencies in the arms race. These tendencies, it says, specifically include qualitative improvements in weapons, and the extension of weapons technology to new fields.

Because the question of disarmament concerns peace and security of all states, it should not be monopolized by a few big powers, China declares.

"All states, big or small, strong or weak, should enjoy equal rights to participate in the deliberation and settlement of problems relating to disarmament. No bilateral agreement on disarmament should jeopardize the interests of other states," the paper noted.

May 4th Movement Discussed at Symposium
HK0905105289 Beijing RENMIN RIBAO in Chinese
6 May 89 p 1

[Report by Li Hongbing (2621 3126 0393) and Hou Jianguo (0186 1696 0948): "International Symposium on May 4th Movement Opens in Beijing"]

[Text] Beijing, 4 May (XINHUA)—Bringing with them thoughts and ideas about the two "May 4th Movements" which took place within a span of 70 years, some 130 Chinese and foreign scholars today walked into the auditorium of the Chinese Academy of Social Sciences to take part in an academic symposium entitled: "May 4th Movement and Chinese Cultural Construction" and held under the auspices of the academy.

In his opening address, Hu Sheng spoke highly of the contributions by the May 4th Movement pioneers to the modernization of China. He maintained that reality has shown that "Cultural development is inseparable from economic and political developments. If China is to modernize its economy and politics, then its culture and ideology should similarly be advanced. Therefore, negation of all the fruits of the May 4th New Literary Movement, retrogression as well as any proposal for the return of the dominant position of feudal morality and ethics, are futile, unacceptable, and harmful." At the same time, Hu Sheng also expressed disapproval of the concepts of "total westernization" and of national nihilism.

Even though there exist a big argument over the historical significance of the spirits of enlightenment and salvation brought about by the May 4th Movement, many scholars expressed particular interest in a re-understanding of the question of ideological enlightenment. Lin Yusheng (2651 3022 3932), an American scholar, said in his speech: "Ideological enlightenment is one of the greatest symbols of the 'May 4th Movement'." He held that China's greatest problem since the May 4th Movement was the people's tendency to accept the guidance of an authoritarian [qiang shi 1730 0528] ideology owing to an urgent desire to seek a way out. This, in turn, causes "all thoughts and acts to become its tool" and results in great disasters and crises. Then, people again search for another authoritarian ideology. The only way out of this vicious cycle is the reestablishment of "a pluralist and open spirit of rational enlightenment," and of "a genuinely open and modern political, economic and educational system."

On the other hand, Li Zehou reiterated his view that "salvation prevailed over enlightenment" in the May 4th Movement, claiming that this led to "excessive emotions and insufficient reasoning" in the "May 4th Movement" and that "while it reaped results in a larger scope and extent, it also planted seeds of disaster." He also described the emergence of irrationalism and neo-authoritarianism today as an upshot of this tendency. Li Zehou's view gave rise to much contention among the scholars.

Many scholars pointed out that enlightenment should spread from the intellectual circle to the masses and that the intellectual circle should attach importance to the ideas and methods of operations in the process of cultural reconstruction. They believed that this is where the real significance of the May 4th Movement lies.

The symposium received some 90 papers and was attended by scholars from Taiwan, Hong Kong and Macau, the Soviet Union, the United States, Sweden and Japan. It will close on 7 May.

Li Guixian on Support for Foreign-Funded Ventures
OW1105044689 Beijing Domestic Service in Mandarin
2130 GMT 6 May 89

[Text] Li Guixian, member of the Asian Development Bank [ADB] Council, member of China's State Council, and president of the People's Bank of China, yesterday told Chinese and foreign reporters covering the annual meeting of the ADB that China's retrenchment policy will not affect the development of foreign-funded enterprises in China.

Li Guixian said: As president of the Central Bank, I have particularly notified my staff to support the development of foreign-funded enterprises, especially those in the coastal regions. This is China's current policy.

When asked what policy the bank will adopt to fight inflation, Li Guixian replied: We shall make use of interest rates. While raising interest rates can increase savings deposits, it can also slow down consumption. He said that China's current financial situation is very stable after interest rates were readjusted three times in the past 6 months. We shall raise banks' reserve requirement ratio. He noted that this is a measure commonly adopted by other countries to cope with inflation. We shall control the general scale of credit. He said that we will tighten control on credit when production is growing too rapidly, and will relax controls when production is slowing down. We have done this several times since the beginning of this year. It seems that we have been quite successful. In the first quarter of this year industry grew by 10.4 percent, and the prices of raw and semifinished materials either dropped or remained stable.

However, Comrade Li Guixian admitted that China was having difficulties in construction funds, noting that the practice of using short-term funds to support long-term construction was very dangerous.

In answering questions put by reporters from Taiwan, Li Guixian said: In the past 2 years trade between both sides of the Taiwan strait has been developing rapidly. Not only I but also friends of the commercial circles on both sides of the strait are glad to see this situation. He indicated that compatriots from Taiwan who are coming to invest or to set up enterprises on the mainland, whether they are individually funded enterprises or joint

ventures, will enjoy preferential treatment similar to that enjoyed by investors from countries and regions outside the territory of China and will possibly be given more favorable treatment.

Commenting on the matter of Miss Kuo Wan-jung, who is heading a delegation to Beijing to attend the annual ADB meeting, Li Guixian said: Both the Chinese people and world public opinion welcome the opportunity that compatriots from both sides of the Taiwan strait were able to attend the meeting together.

Zhejiang Governor Meets World Bank Officials
OW1105044589 Hangzhou ZHEJIANG RIBAO
in Chinese 28 Apr 89 p 1

[Text] Governor Shen Zulun separately met and feted Yorihiro Inasatsu, vice president of the World Bank, and his wife; Hiroshi Sugaya, chief representative of the Bank of Tokyo's office in Shanghai; Ryo Hirayama, deputy chief representative of the office; and Bo Ji, director of the World Bank's China Department, at the Huanglong Hotel and the (Singalira) Hotel in Hangzhou on 25 April. Vice President Yorihiro Inasatsu expressed satisfaction with Zhejiang's use and management of World Bank loans. He indicated that the World Bank would continue to provide aid to China in the future. Governor Shen Zulun thanked the World Bank for its support and aid to develop Zhejiang's agriculture, education, health work, urban construction, and transport services. Taking part in the meetings were also Wang Liansheng, head of the Ministry of Finance's World Bank Affairs Department; Xu Naijiong, advisor to the provincial people's government; Song Shaoxiang, director of the provincial Department of Finance; and Zhao Jiafu, director of the provincial External Affairs Department.

Radio Article Reviews 40 Years of Diplomacy
OW1105003989 Beijing Domestic Service
in Mandarin 0430 GMT 25 Apr 89

[From the "International News and Current Events" program]

[Text] Today, we are going to broadcast a special program on China's diplomacy over the past 40 years. Please listen to an article on border diplomacy, entitled "Settling Border Issues Through Consultation and Promoting Good-Neighborly Relations and Friendship With Neighboring Countries."

China has land borders with 12 countries. Certain parts of our borders with other countries were not demarcated during the early period of the founding of our nation. Whether these border issues left over by history can be settled, fairly and reasonably, has a bearing on the integrity of our territory and sovereignty, peace, and people's life in the border areas, and our relationship with neighboring countries. The Chinese Government has always adopted the five principles for peaceful coexistence as its guidelines in handling border issues

and has strived for their peaceful settlement through friendly consultation and by adhering to the principles of treating each other on an equal footing, having mutual understanding, and making mutual concessions. In the specific process of striving for settlement of border issues with every neighboring country, China implements the following basic principles: Generally speaking, in accordance with international practice, China recognizes the border treaties signed by preceding governments with neighboring countries, and works to achieve their fair and reasonable settlement through peaceful consultation. With regard to some unequal treaties, China still agrees to reach a complete settlement of border issues on the basis of these treaties, by making a clear distinction between what was right and what was wrong in the past, and by taking into consideration the actual conditions. Anyone occupying the territory of another in violation of the treaty must, in principle, return the occupied territory unconditionally. All previous governments in China have never recognized the border lines forced upon the Chinese people by imperialists. The Government of the People's Republic of China does not recognize such border lines, either. Regarding the traditional and customary border which was formed by the extent of jurisdiction of previous governments of both sides and which has never been formally demarcated, China will try to settle the border issue through consultation on the basis of traditions and customary practices. Regarding border issues left over from history, both sides should strive for an amicable settlement through peace talks, and should not resort to force. Both sides should maintain the status quo of the border before reaching a peaceful settlement on the issue.

Beginning from the 1950's, the Chinese Government has amicably settled border issues with the overwhelming majority of its neighboring countries in accordance with the guiding principles mentioned above. The Sino-Burmese border issue is the first one settled ahead of all the other outstanding border issues. In 1957, judging the hour and sizing up the situation, Premier Zhou Enlai decided to get a start from reaching settlement on the Sino-Burmese border issue, to provide experience and an example for systematic settlement of border issues with other neighboring countries. Premier Zhou Enlai proposed having mutual understanding and making mutual concessions as the guiding principle for settlement of the Sino-Burmese border issue. At last, after talks, both sides formally signed the Sino-Burmese Border Treaty in October 1960 and the Sino-Burmese Border Protocol in October 1961.

Just as planned and designed by Premier Zhou, the settlement of the Sino-Burmese border issue served as a good start for China to settle border issues with other neighboring countries. Shortly after China and Burma signed an agreement on the border issue, the leaders of the Chinese and Nepalese governments began talks on their border issue. The border between China and Nepal has an overall length of approximately 1,400 kilometers or more. Most of the region is snow-capped mountains.

The sides differed mainly on the issue of ownership of Mount Qomolangma [Everest]. During his meeting with Nepalese Prime Minister Koirala, Chairman Mao Zedong said: We would feel sad and sorry if this mountain were demarcated to be entirely under your jurisdiction. Likewise, you would feel sad and sorry if it were demarcated to be entirely under our jurisdiction. Let's share it 50 percent each. The border accord signed between China and Nepal on 21 March 1960 did not settle the issue of Mount Qomolangma. The leaders of the two countries continued to exchange views on certain specific aspects of the border issue through reciprocal visits. It was not until the autumn of 1961, when the King of Nepal paid a visit to China, that both sides reached an agreement on the issue.

The Chinese accepted the Nepalese proposed border demarcation, which goes through Mount Qomolangma, or Sagarmatha in Nepalese, on the map, with the southern section of the mountain belonging to Nepal and the northern section to China. Finally, on 5 October 1962, the border treaty was signed in Beijing and went into effect.

Since then, China and the Mongolian People's Republic have also signed a formal treaty, governing over 4,000 kilometers of border between the two countries, that is, the Sino-Mongolian Border Treaty, signed in Beijing on 26 December 1962.

Through negotiations, China signed border protocols with the Kingdom of Afghanistan and the Islamic Republic of Pakistan in 1965, thus solving the border issue in an amicable way.

Korea, a good neighbor in the north, adjoins China along a 1,300-kilometer border. The two countries have taken the Yalu Jiang and Tumen Jiang as the border and, separated by a narrow strip of water, the people of the two countries have lived in peace for a long time.

China's borders with Vietnam and Laos were demarcated by treaties in the past. In the late 1950's, China and Vietnam exchanged notes, pledging to respect the border demarcated by the Sino-French Treaty and to strictly maintain the status quo before a solution on the border issue was found through negotiations. After 1973, however, Vietnam successively provoked border disputes. Hence, the two countries held three rounds of vice foreign ministerial level talks on demarcation of the land border and the Beibu Wan [Gulf of Tonkin]. Nevertheless, the negotiations ruptured, due to lack of sincerity on the part of Vietnam.

Bhutan, another neighbor bordering China's southwestern frontier, has maintained a long-standing friendship with China, although the two countries have not yet established diplomatic ties. So far, China and Bhutan have held four rounds of talks on the border issue. The two sides have agreed that their border issue is not a complex one, and will definitely be solved in a satisfactory manner through friendly consultations.

China and India, two neighboring giants in Asia, have never demarcated their approximately 2,000-kilometer border. Due to differences between the two countries on the border issue, areas in dispute amount to 125,000 square kilometers. On the disputed areas, China has always sincerely hoped and called for comprehensive settlement of the issue through friendly consultations. However, India refused to negotiate and repeatedly deployed force to break up the status quo of the Sino-Indian border, trying to impose its unilateral border on China, and thus leading to the large-scale armed conflict on the Sino-Indian border in 1962. Although the situation on the Sino-Indian border has gradually stabilized since the ceasefire took effect, the border issue remains. In November 1987, China and India held the eighth round of official talks on the border issue, and the two sides agreed to develop friendship and create a sound atmosphere and conditions for solving the border issue. After twists and turns, prospects are brighter for solving the border issue between China and India.

The 7,300-kilometer Sino-Soviet border is one of the longest in history. Unequal treaties left over from history have created many disputed areas in the eastern and western sections of the border. The 1964 Sino-Soviet border talks did not produce any result, and no agreement was reached in the 9-year border talks in Beijing from September 1969 to 1978. In February 1987, Sino-Soviet border talks resumed in Moscow after an interruption of 9 years. Since the resumption, two rounds of talks have already been held. China hopes that another round of talks will produce substantial progress.

China has solved the border issue with most of its neighbors fairly and reasonably in accordance with the principle of mutual understanding, concessions, and friendly consultations, thereby creating the favorable conditions for the Chinese people to engage in peaceful construction and lead a peaceful life, as well as setting a good example for the Asian and African countries on the issue of peaceful coexistence.

Asian-Pacific Broadcast Journalists Meet
OW1105084289 Beijing XINHUA in English
1421 GMT 10 May 89

[Text] Beijing, May 10 (XINHUA)—Forty broadcast journalists from Asian and Pacific countries gathered here today to discuss ways to promote the exchange of television news and to improve means of news transmission in these areas.

The journalists, who are attending the 14th news study group meeting of the Asian-Pacific Broadcasting Union—which opened here today—will also discuss ways of breaking up the monopoly of world broadcast news by developed countries.

The Asian-Pacific Broadcasting Union has 14 member TV stations from 13 countries including Japan, China, Australia and Iran. On May 1 it began to regularly exchange satellite TV news among member stations.

International Antarctic Research Symposium Opens
OW1205084489 Beijing XINHUA in English
1219 GMT 8 May 89

[Text] Hangzhou, May 8 (XINHUA)—An international symposium on Antarctic research, the first of its kind ever held in China, opened here today.

The symposium aims at sharing information and strengthening friendly co-operative contacts between countries engaged in the peaceful development of Antarctic research.

Attending the symposium are 140 Chinese scholars and 30 scientists from 11 countries.

At present 20 countries have 50 permanent survey stations in the Antarctic.

Chinese Stomatologist Wins WHO Award
OW1105053689 Beijing XINHUA in English
0135 GMT 11 May 89

[Text] Geneva, May 10 (XINHUA)—Doctor Niu Dongping of Shanxi Province in China today won the Sakakawa Health Award presented by the World Health Organization at its 42d session.

Niu, a graduate of the Beijing Medical University in the 1960s, is now president of the Yuncheng Stomatological Hospital in China's Shanxi Province. He was honoured for his successful pioneering work in stomatological (diseases of the mouth) health protection and care in the countryside and for setting a good example for developing countries in the medical field.

The award, established by Ryoichi Sasakawa, president of Sasakawa Memorial Health Foundation, is to promote innovative activity in the health field.

United States & Canada

Wan Li Leaves for Canada, U.S. Visit
OW1205142289 Beijing XINHUA in English
0800 GMT 12 May 89

[Text] Beijing, May 12 (XINHUA)—Wan Li, chairman of the Standing Committee of China's National People's Congress (NPC), left here this afternoon by special plane for an official goodwill visit to Canada and the United States, which will last until June 1.

Wan will be the first NPC chairman to visit Canada and U.S. since China established diplomatic relations with the two countries.

He will be guest of Guy Charbonneau, speaker of the Canadian Senate, John Fraser, speaker of the Canadian House of Commons, and Dan Quayle, U.S. vice-president and president of the U.S. Senate.

Seeing Wan and his party off at the airport were Vice-Premier Yao Yilin, NPC Standing Committee Vice-Chairman Peng Chong, Canadian Ambassador to China Earl Drake and U.S. Ambassador James Lilley.

San Francisco Mayor Visits Shanghai

OW1005184789 Shanghai City Service in Mandarin
2200 GMT 5 May 89

[Text] At the invitation of the Shanghai City People's Government, a delegation from San Francisco, the United States, headed by its mayor, Mr Agnos, arrived in Shanghai by plane on the evening of 5 May for a visit. Vice Mayor Huang Ju and others welcomed the delegation at the airport.

Bush Expresses Hope for Success of PRC Reform

HK0505133989 Beijing RENMIN RIBAO in Chinese
3 May 89 p 3

[Dispatch by reporter Zhang Qixin (1728 0796 3500): "Bush Addresses American Chamber of Commerce, Expresses Hope for China's Success in Reform"]

[Text] Washington, 1 May—Today in an address to the annual meeting of the American Chamber of Commerce, President Bush said that he hopes China's economic reform will succeed. He said: When an economic reform appears in the world at any time, the United States should hope for its success. He said that last year when he met with Gorbachev in New York, he also told him that the United States wishes success for the reform in the Soviet Union. Similarly, he said, "We also hope that China's economic reform will succeed."

In his address, Bush also mentioned the main economic measures of his administration.

Controversy Created by Cheney Comments Viewed

HK0705083689 Beijing RENMIN RIBAO in Chinese
5 May 89 p 3

["International Outlook" column by Sai Bei (1049 0554): "A Controversy Stirred Up By Cheney"]

[Text] During a television interview on 29 April, U.S. Defense Secretary Cheney said that he believes Gorbachev "will fail in the end," and "if this happens, he will be replaced by someone of even less goodwill." Cheney's remarks caused confusion in Washington, and a senior White House aide immediately issued a statement the next day, saying that "this is not the President's view." President Bush declared in a speech to the American Chamber of Commerce that he believes Gorbachev's reform movement will "continue," and he further asserted that "I explicitly stated when I met

Gorbachev in New York that we hope to see the Soviet Union's reforms succeed." With that, the President's attitude was clear and the incident could be closed.

However, this incident shows that U.S. officials still lack a concerted view on how to evaluate the Soviet Union. As a senior official of the National Security Council in the White House said, Cheney's remarks "reflect the common view of government policy-makers," and it was just "unwise" of him to say this publicly.

Estimating whether Gorbachev's domestic reforms will succeed or not seems to have become a branch of study in the West. There are but two conclusions: They may succeed, or they may fail. If they succeed, there may be two kinds of future prospects for U.S.-Soviet relations: 1) There will be further detente. 2) The Soviet Union will become still more overbearing as its national strength is boosted, and there will be renewed tension in U.S.-Soviet relations. These two kinds of future prospects may produce different effects on their relations. Up to now, the discussion has not jumped out of this framework. Who is right and who is wrong can only be proved by developments.

However, it is precisely this elusive state of affairs that has enabled the countries of the West to gain freedom in dealing with the Soviet Union in light of their own national interests, because the United States can no longer simply use the Soviet threat to circumscribe the relations of its allies with the Soviet Union. A number of countries, such as West Germany, Belgium, Denmark, Greece, Italy, Norway, and Spain, have different views on the short-range missile issue from those of the United States and Britain. This is precisely an outcome of the combination of different evaluations of the Soviet Union with their own national interests, which has given the United States a headache.

As defense secretary, Cheney is very concerned about the cracks already exposed in NATO and hopes to use his remarks to get the allies into step with the United States. But Bush, as president, expresses the continuity of policy toward the Soviet Union in the greater context of U.S.-Soviet relations. The Bush administration has basically carried on the Soviet policy of the latter period of President Reagan's term; that is, both confrontation and dialogue. To agree with Cheney's evaluation would require a major readjustment of this policy, which would cause tremendous turmoil in international politics and international relations. This is what President Bush, who has just passed a cautious first 100 days in office, certainly does not want.

Anyway, this incident also shows that it is still too early for a genuine thaw in U.S.-Soviet relations, which have been cold for a long time.

RENMIN RIBAO on Oliver North Case
HK1105090389 Beijing RENMIN RIBAO in Chinese
7 May 89 p 3

[Article by staff reporter Cang Lide (0221 4539 1795):
"The Oliver North Case Has Not Come to a Conclusion
Although a Verdict Has Been Passed"]

[Text] During the past 2 days, Oliver North once again burst into the headlines and became the main topic of conversation in the United States. Cameras from a number of newspaper offices zeroed in on all accesses to the Washington District Court—where North stood trial—lest any scene was missed; quite a number of people rushed to the gate of the court before the day broke to catch a glimpse of the man, who in their eyes, is a "legendary figure." A television station broadcasted a TV serial, "Guts and Glory," describing North's experiences. This is not just because North played a key role in the "Irangate" incident, nor merely because taxpayers in the United States had paid the enormous sum of \$40 million, since late in 1986, to cover the expense of investigating and bringing the case to trial, but to a greater extent because people are sharply divided over the appraisal of North; some people regard him as a "hero," while others a "criminal." The two parties were awaiting the verdict the jury would pass on the North case—which would decide his fate—with anxiety.

On the afternoon of 4 May, the civilian jury, composed of 9 women and 3 men from Washington D.C., after 12 days of deliberation, finally announced that North was guilty on 3 of the 12 charges. The North case was thus decided and the court session, which formally began on 21 February, ended.

Both the prosecutor and the defendant had reasons to be satisfied with the verdict. The public procurator said that the court had, from the day North was sued to the day the case was heard, cleared away many complicated and "unprecedented" obstacles, such as problems involving classified documents on "national security and foreign relations"; summoning former President Ronald Reagan; and finally deciding that the defendant seriously broke the law in three instances, subjecting him to at most 10 years' imprisonment and a fine of \$750,000. This once again shows that anyone, no matter how important he is or what post he holds, is not allowed to place himself above the law. North holds that the fact that only three crimes were brought home to him instead of 12, with a possible 60 years' imprisonment and a fine of \$3 million, suggests to him that the jury approved most of his plea. However, it is too early to think that the North case will finally end as soon as Judge Gesell announces judgment on 23 June.

First of all, the hearing evaded the key point of the "Irangate" incident. Of the 14 crimes which it was initially confirmed were committed by North, the key ones were that North plotted a conspiracy and stole the state's property; and the primary crime was that he

shifted profits amounting to \$1.4 million gained from selling arms to Iran to the Contras without notifying Congress. But as the case called for summoning the then president and gaining access to the government's classified documents, a major problem concerning "the law and the Constitution" and "national security and foreign relations," it ended up with nothing definite. The press pointed out earlier that the hearing, which avoided the important and dwelled on the trivial, would not find a clue to the mysteries of the "Irangate" incident.

Second, of the remaining 12 crimes, 9 were declared without sufficient evidence, but the defendant still did not plead guilty. While facing the court, apart from admitting that he had fixed a safety device in his house to prevent terrorist attacks using the money he accepted, which he considered the "most foolish thing he has done in life," North denied all other charges. When the jury passed a verdict on him, he immediately said that he will continue fighting like a soldier from the Marine Corps until he is pronounced innocent, no matter how many years he will spend on the matter. North's lawyer also indicated that he will appeal to a higher court on the three crimes. Judging by U.S. legal procedures, it is uncertain how many years the "marathon" case will take before it comes to a conclusion.

In addition, the key point the defendant spoke of in his defense was that he consistently and "faithfully" carried out orders from the White House, and he was only a "scapegoat" discarded by others. He demanded that the President, "who knows and approved in person all the programs" bear witness in court, but his request was categorically rejected by the White House and the judicial department. The former head of the Central Intelligence Agency, Casey, who personally supervised the secret provision of arms to the Contras, being dead, "cannot bear witness"; and the secret deals the White House closed with several heads of states or governments remains unclear. All these problems that cropped up during the hearing will appear again when another key figure, former Assistant to the President for National Security Affairs Poindexter, is brought to trial.

The U.S. media pointed out that the hearing indicated that even the jury, which is in a position to pass a verdict, does not believe that "North is the only, or the primary, lawbreaker."

Soviet Union

Gorbachev-U.S. Warship Concurrent Visit Noted
HK1205122089 Hong Kong AFP in English
1215 GMT 12 May 89

[Text] Beijing, May 12 (AFP)—Soviet officials Friday played down the fact that President Mikhail Gorbachev will visit Shanghai at the same time as warships from the U.S. Navy's Seventh Fleet.

"You shouldn't exaggerate the importance of that fact," Soviet Communist Party spokesman Nikolai Yefimov said when asked about the coincidence during a press conference here.

The Chinese Foreign Ministry confirmed Thursday that U.S. warships would make a "friendly courtesy call" in Shanghai next Thursday, when Mr Gorbachev makes a day trip there after his summit talks in Beijing.

Chinese and U.S. military officials have yet to confirm the long-awaited visit. Observers suspect they want to keep wraps on it—at least until the last minute—because of the Gorbachev visit.

The port call is expected to include the Seventh Fleet's command ship, the Blue Ridge, and improve Sino-U.S. military relations at a time when China's strategic planners want to develop their naval capability.

U.S. warships had been expected in Shanghai in May 1985. But the plans were scrapped after both sides said "a number of issues" had yet to be settled.

Soviets Rule Out Gorbachev-Sihanouk Meeting

HK1205120089 Hong Kong AFP in English
1154 GMT 12 May 89

[Text] Beijing, May 12 (AFP)—Soviet leader Mikhail Gorbachev has no plans to meet Cambodian resistance leader Prince Norodom Sihanouk during the Sino-Soviet summit here next week, a Soviet spokesman said Friday.

Soviet Foreign Ministry spokesman Gennadiy Gerasimov said in response to a question during a news conference here that there would be "no meeting" between the prince and Mr Gorbachev.

It would have been Mr Gorbachev's first meeting with Prince Sihanouk, who according to diplomats is due here Tuesday.

Mr Gorbachev will begin in Beijing Monday three days of talks with Chinese leaders to seal the full normalisation of Sino-Soviet relations after a 30-year break.

The Soviet Union supports the convening of an international conference on Cambodia, scheduled to be held in Paris in August, and has expressed support for Prince Sihanouk as the Cambodian leader after the pull-out of Vietnamese troops.

Sino-Soviet Summit Result of Deng Suggestion

HK1205100489 Beijing ZHONGGUO XINWEN
SHE in Chinese 0808 GMT 12 May 89

[Report: "Deng Xiaoping Gave Out Message 3 Years Ago Expressing Willingness To Meet Gorbachev"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing 12 May (ZHONGGUO XINWEN SHE)—As disclosed by the fourth issue of CHINA'S REPORTERS, it was Deng Xiaoping who first gave out

a message 3 years ago expressing an intention to hold a Sino-Soviet summit, and the messenger was Romanian President Nicolae Ceausescu.

On 9 October 1985, Deng Xiaoping met with Romanian President Ceausescu, who was visiting Beijing, at the Great Hall of the People. When the interview was about to end, Deng Xiaoping asked Ceausescu: "Will you have an opportunity to meet Gorbachev?"

Ceausescu replied: "I will meet him at the meeting of the Warsaw Pact Political Consultative Conference, which is due to open at Sofia this month."

"Would you mind carrying a message for me?" asked Deng Xiaoping.

"Okay," said Ceausescu.

Deng Xiaoping said: "If the Soviet Union and China are able to reach an understanding and succeed in urging Vietnam to withdraw its troops from Cambodia, I am willing to meet Gorbachev."

Ceausescu: "I will pass on the message."

Deng Xiaoping: "Three major obstacles are standing between China and the Soviet Union. These problems must be solved first."

The conversation was very simple. When the reporter asked: "Comrade Xiaoping, can the conversation be covered in the newspaper?" Deng Xiaoping, after thinking for a moment, replied: "I do not think it necessary."

Gorbachev Faces Tough Talks During China Trip

OW1205090989 Tokyo KYODO in English
0259 GMT 12 May 89

[By Antonio Kamiya]

[Text] Beijing, May 12 KYODO—Soviet leader Mikhail Gorbachev visits Beijing next week for a trip that analysts say will be marked by a mixture of historic symbolism and hard talks.

The visit, coming just as a Chinese student campaign for democracy and press freedom has abated, should also give the reformist Soviet leader an insight into the Chinese version of his program of "glasnost" (openness) and "perestroika" (restructuring) and "demokrati-zatsiya" (democracy).

Both Beijing and Moscow have indicated that they regard what will be the first Sino-Soviet summit in 30 years as a sign of reconciliation between the two once-estranged communist giants.

But more recently the Chinese have been busily sending out signals that the May 15-18 visit will not be merely an occasion to "kiss and make up."

Hard bargaining is expected, particularly on the Kampuchean issue.

Kampuchea "is one of the major topics on the agenda," Chinese Foreign Ministry spokesman Qin Guihua said Thursday, a day after the Chinese failed to persuade Hanoi to accept their point of view on how to end the 10-year-old conflict there.

China has prodded Moscow "to play its role" in applying greater pressure on its Vietnamese allies but the Soviets' apparent failure to do so has reportedly held up the completion of a draft of the joint communique to be issued at the end of Gorbachev's visit.

The Kampuchean quandary aside, Chinese officials have painstakingly tried to assure the world, particularly their Asian neighbors, that normalization of relations between the two major communist powers would not affect the interest of third nations.

Sino-Soviet reconciliation, as Premier Li Peng and other senior leaders have explained in talks with foreign dignitaries, is aimed at removing "abnormalities" in bilateral ties.

"The normalization of relations between China and the Soviet Union is not only in the interests of the people of China and the Soviet Union but is also in the interests of the people in Asia and the world as a whole," Foreign Minister's spokesman Qin said in his meeting with foreign reporters Thursday.

While the political effects of the Sino-Soviet summit on other countries have yet to be seen, the benefits to China and the Soviet Union themselves are more immediate.

Military tension on the Sino-Soviet border, for instance, will lessen appreciably as the Soviets start pulling out most of their troops stationed in Mongolia.

In a move of diplomatic symbolism, the Soviets have also announced that they will start the withdrawal operation on Monday to coincide with the date of Gorbachev's arrival in the Chinese capital.

China and the Soviet Union have also agreed to strengthen cross-border contacts, as marked by an announcement earlier this week that they will open a new air route linking Urumqi, the capital of the Chinese northwestern province of Xinjiang, with the Kazakhstan capital of Alma-Ata on the Soviet side.

Beyond the question of cross-border trade, an improvement in overall ties should also enable China to get Soviet technical help to renovate worn-out major industrial plants built with Soviet aid more than 30 years ago.

From the Soviet point of view, China, with its vast labor pool, can help the Soviets to develop the infrastructure of Siberia.

Through his talks with Chinese leaders, Gorbachev will also be keen to hear firsthand about China's experience in economic reform.

Gorbachev will squeeze in time during his stay in China to see a factory in Beijing and tour the thriving special economic zone in Shanghai.

The diplomatic high-point of Gorbachev's itinerary will probably be his encounter on Tuesday with Deng Xiaoping, the 84-year-old leader whose authority appeared to be under question in the recent spate of student demonstrations but who nonetheless remains the undisputed leader of China.

The meeting will probably be another diplomatic laurel for Deng, who is having Gorbachev come to Beijing for the summit, rather than having to go to Moscow himself.

Deng has the additional satisfaction of seeing the Soviets virtually acceding to the Chinese demand on what Beijing calls the "three obstacles" to improving relations between them—the Soviet military presence in Afghanistan, the concentration of Soviet troops on the Sino-Soviet border, and the yet-to-be resolved Kampuchea issue.

Chinese officials, at least in public, remain noncommittal on the prospects for the summit despite the more upbeat mood in Moscow.

"Improvement of Sino-Soviet relations is a very long process," Foreign Minister Qian Qichen said recently.

Soviet 'Expert' Interviewed on Upcoming Summit
HK1205005489 Beijing CHINA DAILY in English
12 May 89 p 4

[By Wang Gangyi]

[Text] A noted Soviet expert on China said he believes the forthcoming visit by Soviet leader Mikhail Gorbachev may put Sino-Soviet relations truly on a basis of peaceful co-existence.

Nicolay Fedorenko, a long-time Soviet deputy foreign minister and now adviser of the Far Eastern Institute under the Soviet Academy of Sciences, told CHINA DAILY in an interview in Beijing last Friday that he expects bilateral relations to be improved and normalized after Gorbachev's forthcoming visit.

Gorbachev will arrive in Beijing on Monday for a three-day official visit, during which he will hold talks with top Chinese leaders on bilateral relations and international issues of mutual concern. He will be the highest Soviet leader to visit China since the two countries cooled down their relations at the end of the 1950s.

Fedorenko said that the normalization of Soviet-Chinese relations will be a major event in international relations. "It will certainly contribute to world peace and stability and help to expand political, economic and cultural exchanges between the two countries."

He said that now the most fundamental factor behind Soviet foreign policy changes during the past few years is the recognition by Soviet leadership that the national security of one country cannot be guaranteed while others feel threatened.

"In the past, we only stressed the interests of our own country. We have realized now that the security of one country can only be ensured when other countries feel safe and secure," he said.

He believes that the biggest changes inside the Soviet Union since Gorbachev came to power are the open policy and the growing trend towards democracy.

"Of course, everybody should abide by the Constitution and law," he added.

He said that Gorbachev is highly popular with the majority of the Soviet people, and they support him even though the country is facing numerous problems. The most serious difficulties, according to Federenko, are the shortage of grain and ethnic unrest in some republics, which has been caused by a long-time negligence on the part of the previous Soviet leadership.

"These problems will not endanger the country's stability, although their solution requires the government's wisdom and consistent efforts," he said.

Fedorenko has just attended a symposium in Beijing commemorating the 70th anniversary of China's May 4 Movement.

RENMIN RIBAO Profiles Gorbachev

HK1205092289 Beijing RENMIN RIBAO in Chinese
11 May 89 p 7

[Article by Wang Chongjie (3769 1505 2638): "Gorbachev: A New-Type Leader of the Soviet Union"]

[Text] Mikhail Gorbachev can be considered a man of new thinking, with a new-type work style and life-style as compared with past leaders in Soviet history.

Gorbachev was born in the village of Privolnoye, Stavropol, a border region (equivalent to a state) in Northern Caucasus, on 2 March 1931. Both his parents and grandparents were peasants. German Nazi troops invaded the USSR in 1941, and occupied Stavropol City in the winter of 1942. The war overshadowed the life of the Soviet people. For a time, Gorbachev could not continue school for lack of shoes. Gorbachev's father, who was on active service at the front, wrote home asking his wife to sell whatever was in the house to buy

shoes for the child, so that he might go to school. Life in post-war rural areas was still hard. When Gorbachev was in middle school, he studied half the time and worked half the time in the fields. Sometimes, he would work as a hired hand at an agricultural tractor station, or as an assistant on a combine harvester. Farm machinery at that time was in a poor condition, and there was not even a cab on any of the tractors. In the scorching heat of summer, the tractor drivers were all sweaty; but in winter, they had to brave the bitter wind. Young Gorbachev was more often than not trembling all over in the freezing cold. The arduous working environment helped temper his firm fighting spirit. Because of his outstanding accomplishments, Gorbachev was awarded a Red Flag Medal for labor at the age of 18 in the year 1949.

In 1950, Gorbachev enrolled at the Moscow State University, where he studied law. As a college student, he worked very hard and was concurrently branch secretary of the Communist Youth League at the law school. A Soviet news briefing said that he has been concerned about state affairs since he was young. He was good at listening to others' views, but would never easily give in. He was recruited into the CPSU in 1952.

After graduation in summer 1955, Gorbachev returned to his hometown, Stavropol City, where he was to be engaged in leadership of Communist Youth League and party organizations for the next 23 years. During this period he was elected, in turn, deputy to the CPSU 22d National Congress, deputy to the Supreme Soviet, and CPSU Central Committee member. As chief responsible person of a border region's party organization, Gorbachev attached great importance to establishing ties with the people. He would stroll to the office early every morning, talk with people on the way to learn how things were, and discuss problems with them. Stavropol border region is an important grain-producing base in the USSR. Gorbachev adopted some measures based on the specific conditions; for example, extending the size of gardens of peasant houses, restructuring farm labor organization, and spreading advanced agricultural science and technical know-how. As a result, there were bumper harvests for years in succession, and his work was highly commended. This border region boasts a famous spa, which the late Soviet leaders Brezhnev and Gorbachev's fellow-countrymen Andropov and Suslov would frequent. Gorbachev's accomplishments and style of thinking left a deep impression on those leaders.

In November 1978, Gorbachev was transferred to Moscow as secretary of the CPSU Central Committee Secretariat. The next year saw him elected as an alternate member of the CPSU Politburo. In 1980, he was promoted to CPSU Politburo member. At that time, Gorbachev was the youngest member of the top echelon of the Soviet leadership.

In the first half of the 1980's, various social contradictions in the USSR were increasingly aggravated. One after another, three major Soviet leaders, Brezhnev,

Andropov, and Chernenko passed away during the short span between November 1982 and March 1985. The now-familiar funeral march caused meditation and anxiety over the nation's fate. At the extraordinary CPSU Central Committee plenum called the very next day after Chernenko's death, Gorbachev was elected secretary of the CPSU Central Committee. Beginning 1 October 1988, Gorbachev became concurrently chairman of the Supreme Soviet Presidium.

As soon as Gorbachev took office, he promptly started conducting profound political and economic restructuring. He believes that, in reform, a new image of the party leader must come into being, by doing away with such characteristics as "bureaucratic airs, bureaucratism, the style of an overlord, and fishing for fame and compliments," and replacing them with such moral characteristics as "courage, initiative, ethics characterized by a high level of ideological content and purity, becoming one with the people, and being good at safeguarding socialist spiritual wealth." Under his leadership, the USSR has adopted a series of major measures in the progress of restructuring. In 1985, shortly after he took office as general secretary of the CPSU Central Committee, Gorbachev called an April CPSU Central Committee plenum, and proposed a clear-cut guiding idea: It is imperative to implement restructuring to accelerate social and economic development. At the CPSU 27th National Congress in spring 1986, the strategy for accelerating social and economic development and the principles for carrying out basic reforms were set. The CPSU Central Committee plenum in January 1987 decided to make democratization the major motive force, and the irreversible guarantee of restructuring. Along with other resolutions, the CPSU Central Committee plenum in June the same year adopted "The Basic Principles for Basic Restructuring of Economic Management," which drew up the basic blueprint for Soviet economic restructuring. Later, the Soviet Constitution was revised, and has provided important legal guarantees for the implementation of economic and political restructuring. All this has laid the groundwork for Gorbachev to implement restructuring in theory and practice. At the same time, Gorbachev proposed a series of new concepts based on his thinking on reforms for work in all fields, including Soviet foreign affairs, which he has boiled down to "perestroika."

To win people's support for restructuring, Gorbachev often meets and holds dialogues with people of all walks of life. At the same time, he often visits various places in the USSR, and talks directly with people of all professions and trades in factories, mining districts, rural areas, hospitals, stores, and on the streets, and discusses state affairs with them. Gorbachev also actively advocates glasnost, and stresses that "it is necessary to tell people the truth, and there is no need to be afraid of one's own people," "without glasnost, there will be no restructuring, and there will be no democracy, either." Many foreign observers have pointed out that this is the area in which the greatest change has taken place in Soviet social life in recent years.

Gorbachev also attaches great importance to his own effect on society, as well as that of his family members. His father has passed away. His mother continues to live in their old home in Privolnoye, living on her pension just like any other old person on a collective farm. She raises a few chickens and a milkcow to make her life easier. Gorbachev returns home to visit his hard-working mother every year. It is said that Gorbachev's daughter Irina and her husband Anatoli are both doctors. Occasionally, Gorbachev is to be found having lunch at the "Moscow" restaurant. He is also occasionally to be found sitting side by side with Raisa in the stalls of a theater, enjoying an evening of good artistic performances.

Gorbachev has also promptly readjusted Soviet foreign policy, and made a series of proposals on arms reduction, resolving regional conflicts, and improving Soviet foreign relations. These proposals have aroused world-wide attention. He has visited many foreign countries, and unfolded international dialogues in all forms, while such dialogues have pushed the world situation toward detente. In particular, the Soviet-U.S. treaty on destroying medium-range guided missiles, the Soviet pull-out of its troops from Afghanistan based on the Geneva agreement, and the unilateral Soviet decision on demobilizing half a million troops have to some degree reflected Gorbachev's perestroika.

Of course, the Soviet reforms under Gorbachev's leadership still face severe tests. Just as many foreign news commentaries have pointed out, the Soviet reforms are encountering "great difficulties." For example, the turmoil in minority nationality regions, the imbalance in economic development, the shortages of consumer goods, and the obstruction by conservatives are all awaiting a solution. Gorbachev has also admitted that the resistance to reforms is great, and the most difficult point can be the overcoming of inertia in old thinking. He believes that "there is no retreating from the reforms, and there is no old way to return to." Reform is a long process, which takes time and requires patience and unremitting and continuous exploration. Despite many difficulties, reforms remain the motive force of Soviet party and national development, and fall in line with the will and demands of the Soviet people. Therefore, it is hoped that the Soviet reforms will be successful.

Jilin, USSR's Oblast Sign Cooperation Document
SK1205071289 Changchun JILIN RIBAO
in Chinese 9 Apr 89 p 1

[Text] A document on the comprehensive development of economic and trade cooperation between our province and the Amur Oblast of the Soviet Union was signed at the Nanhu Guesthouse at 1200 on 8 April. Provincial Vice Governor Hui Liangyu was present on the occasion to extend congratulations, and attended the signing ceremony. Li Jieche, director of the provincial Foreign Affairs Office, and (Kovaliy), vice chairman of the Agricultural and Industrial Committee of the Amur

Oblast of the Soviet Union, signed the letter of intent on behalf of the provincial government and the Amur Oblast Soviet Executive Committee, respectively.

The five-member delegation from the Agricultural and Industrial Committee of the Amur Oblast of the Soviet Union led by (Kovaliy) arrived in our province on 3 April for a visit at the invitation of the Beifang Joint Company of the provincial Agricultural Enterprise Group. Director Li Jieche and delegation leader (Kovaliy) held talks on the comprehensive development of economic and technological cooperation between Jilin Province and Amur Oblast, and other issues. The Beifang Joint Company of the provincial Agricultural Enterprise Group and the Soviet side held trade talks, and concluded barter trade contracts worth 1.72 million Swiss francs. They also discussed and decided on letters of intent on building a mechanized brick plant and a vehicle repair and assembly plant, and planting vegetables and watermelons for Amur Oblast.

Northeast Asia

Commentary Views Takeshita's Southeast Asia Trip
HK1205070089 Beijing RENMIN RIBAO in Chinese
8 May 89 p 3

["Commentary" by staff reporter Yu Qing (0060 7230):
"Takeshita's Tour to Southeast Asia"]

[Text] Japanese Prime Minister Noboru Takeshita, concluding his tour to five Southeast Asian states, returned to Tokyo from Manila on 7 May. Maybe it is a historical coincidence that the first country Takeshita visited after assuming office as Prime Minister and the last country he visited before he resigned was actually the Philippines. Before leaving, Takeshita, who at one time wanted to cancel the trip, accepted the advice given by personages in diplomatic circles: Through visits, the continuity of Japan's Southeast Asia policy can be demonstrated.

Southeast Asia occupies an important position in Japan's economy. Eighty percent of the crude oil imported by Japan and about 40 percent of its exports are transported through Southeast Asia's Strait of Malacca. In recent years, Japan's economic interests in this region have been expanding day by day. The direct investment by Japanese nongovernmental enterprises has amounted to 25 to 40 percent of the total foreign investment in that region. The amount of development aid funds poured into the region by the Japanese Government comprised about 35 percent of the total funds. Therefore, the stability and security of the Southeast Asian region has all along been a matter of concern to Japan.

Politically, Takeshita's current trip was aimed at exchanging views with the heads of host countries, centering mainly on the Cambodian issue. Takeshita offered Japan's 4-point proposal on the Cambodian issue: 1) Under international supervision, a complete Vietnamese troop withdrawal should be affirmed and

guaranteed and a recurrence of the past nonhumanitarian policy prevented; 2) the Cambodian people's national self-determination should be realized, and a genuinely independent, neutral, and nonaligned Cambodia be founded through fair and free elections; 3) to achieve the above-mentioned goals, effective international supervision should be imposed; and 4) any political settlement should give full consideration to the security of neighboring countries while ensuring the domestic security of Cambodia. He also expressed his readiness to provide the funds, personnel, and materials necessary for the imposition of international supervision. Once a political settlement has been achieved, Japan will offer cooperation to the region's reconstruction and development. Evidently, Japan's propositions and hopes are based on both the reliance on its economic strength and the considerations of its future economic interests.

The main expectation of Southeast Asian countries is improving economic relations. During his visit, as far as his economic moves were concerned, Takeshita concentrated his main efforts on promoting the realization of the concept of Asian-Pacific economic cooperation. For this, he put forth Japan's three principles concerning the question of economic cooperation in the Asian-Pacific region: 1) Respect the views of ASEAN nations; 2) strengthen and safeguard the free trade structure; and 3) promote multisector, realistic economic cooperation. Public opinion held: Although Japan's three principles lack practical substance, they can be viewed as an exploration aimed at sounding the response of Southeast Asian nations to the convention proposed by Japan and other countries of a ministerial-level conference on economic cooperation in the Asian-Pacific region. However, most leaders of ASEAN countries were not interested in creating a regional economic bloc.

Takeshita told the heads of host countries again and again that although he was going to resign from office as prime minister soon, the policy of Japan attaching importance to ASEAN nations would not change, and that ASEAN nations were among Japan's most important partners in economic cooperation. He stressed that both sides should "strive for common thinking and common actions."

What was eye-catching was the footnote made by commentators here on the goals of Takeshita's current trip, which reads: In the general climate in which Japanese-American economic frictions are intensifying day by day and Sino-Soviet relations are improving, Japan cannot help feeling a sense of isolation. Takeshita's current trip and Foreign Minister Sosuke Uno's visit to the Soviet Union were "supplementary" to each other. Uno's Soviet trip was meant to affirm that Sino-Soviet reconciliation would have no influence on Japan. The purpose of Takeshita's trip to Southeast Asia was to win more partners and avoid being friendless.

Southeast Asia & Pacific

'Roundup' Discusses SRV 'Multiple Tactics'

HK1205023289 Beijing JIEFANGJUN BAO
in Chinese 2 May 89 p 4

["Roundup" by Tang Tianri (0781 1131 2480): "Multiple Tactics and One Goal"]

[Text] Since it announced on 5 April the withdrawal of all its troops from Cambodia, Vietnam has focussed its attention on how to maintain its vested interests in Cambodia instead of on troop withdrawal. To attain this goal, Vietnam has resorted to various tactics, including its endeavor to weaken the patriotic resistance forces of Democratic Kampuchea and to consolidate and strengthen the Phnom Penh regime which it has propped up.

Recently, Vietnamese Foreign Minister Nguyen Co Thach made a written statement to an Indian newspaper in which he put forward six measures to prevent a comeback of the Khmer Rouge after the withdrawal of the Vietnamese troops: Immediately stop providing military aid for them. Do not permit them to keep armed forces. Punish top leaders of the Khmer Rouge. Do not allow them to play any important role in the future government. Confiscate their armory. Put an end to their control over the refugee camps. As a matter of fact, Vietnam is trying to destroy the Khmer Rouge with these six measures and to attain the goal it has failed to attain on the battlefields in the past 10 years or more.

Vietnam is energetically making military preparations to launch a dry-season offensive against the resistance forces of Democratic Kampuchea. According to reports, since the beginning of May, Vietnam has massed large numbers of troops and tanks and artillery to launch mopping-up operations against the Cambodian resistance forces on several occasions. In a mopping-up operation launched along the Cambodia-Thailand border areas from 17 to 19 April, the Vietnamese troops used heavy artillery and rockets. During the fierce battle, a large number of shells of the Vietnamese troops fell within Thailand's territory, compelling Thai residents in the border areas to evacuate. Thai Foreign Minister Sitthi [Sawetsila] remarked on this: "Since Vietnam has announced the withdrawal of all its troops in September, it should stop fighting. Why has fighting continually occurred?" International observers pointed out that such Vietnamese moves are aimed at weakening the resistance forces of Democratic Kampuchea and enlarging areas under the control of the Heng Samrin-Hun Sen armed forces.

Recently, Vietnam has tried to give a greatly reduced figure in terms of the number of its troops in Cambodia. Someone asked: How many Vietnamese troops are there in Cambodia at present? The reply given was 50,000. As a matter of fact, there are still more than 100,000 Vietnamese troops in Cambodia. According to reports, Vietnam is turning large numbers of Vietnamese troops

into puppet troops by changing their uniforms. Khieu Samphan, vice president of the Coalition Government of Democratic Kampuchea, disclosed to reporters not long ago that the Vietnamese authorities are organizing the Vietnamese soldiers to learn the Cambodian language. For example, there is a school in Phnom Penh which is specially for teaching Vietnamese soldiers to learn the Cambodian language. After a Vietnamese soldier graduates from this school, he will be changed into a soldier of the Phnom Penh armed forces by wearing a uniform of the puppet troops. Therefore, although Vietnam has announced troop withdrawal to the world on many occasions, its troops have actually remained in the same place and they have only disguised themselves as Phnom Penh troops. Moreover, Vietnam has also allowed large numbers of Vietnamese troops to take off their uniforms and become armed "immigrants" in Cambodia. According to reports, the number of Vietnamese immigrants in the past few years has totaled more than 1 million. At present, Vietnamese have become the majority in some Cambodian villages and counties. These Vietnamese immigrants are organized in groups of 10 and 100 households and they are armed. Vietnam has also sent Vietnamese armymen who speak the Cambodian language to take up backbone posts in organs of state power at various levels to strengthen its control over Cambodia. Recently, the resistance forces of Democratic Kampuchea have arrested a village head at the Vietnamese lieutenant level in Sisophon and another village head at the Vietnamese lieutenant colonel level in a battlefield east of the Mekong. The Vietnamese troops in Cambodia have attempted to use this tactic to practice a "Vietnamization" colonial policy to continue its control over Cambodia.

Recently, Vietnam instructed Hun Sen, "prime minister" of the Phnom Penh puppet regime, to unilaterally announce that a general election will be held in Cambodia within 3 months after the withdrawal of the Vietnamese troops in September this year. He also expressed welcome to candidates of the resistance forces. This is evidently a trap and plot set up under instruction from Vietnam, aimed at maintaining the Phnom Penh regime after troop withdrawal so that the general election can be carried out within the framework of the regime. Such a general election can never be a genuinely free election that conforms with the aspiration of the Cambodian people and will certainly be manipulated and controlled by Vietnam and the Phnom Penh regime. Samdech Sihanouk has already made a statement opposing and rejecting this.

Various tactics and tricks used by Vietnam mentioned above serve only one goal, that is, to let the Heng Samrin-Hun Sen clique hold power alone or to set up a Cambodian government with the Heng Samrin-Hun Sen clique as the dominant part in order to continue control over Cambodia. However, this attempt of Vietnam, which goes against the tide of our era, will never succeed.

Near East & South Asia

More Reportage on Visit of Iranian President

Deng, Khamene'i Talks Viewed

HK1205110689 Beijing RENMIN RIBAO in Chinese
12 May 89 p 1

[Dispatch from reporter Sun Yi (1327 3015): "Deng Xiaoping Meets Khamene'i"]

[Text] Beijing, 11 May (RENMIN RIBAO)—Central Military Commission Chairman Deng Xiaoping said this morning: China is striving for a stable international and domestic environment in which to work for development. This is the most important thing we are doing. He said: Internationally, it is necessary to establish friendly relations on the basis of the five principles of peaceful coexistence. China and the Soviet Union should also live in peace in accordance with those principles. In a few days, I will meet Soviet General Secretary Gorbachev and try to settle the disputes that have arisen between us over the past 30 years so as to normalize Sino-Soviet relations.

These remarks were made by Deng Xiaoping while he was meeting Iranian President Seyyed 'Ali Khamene'i who is paying an official and friendly visit to our country at our invitation.

At 11:00 hours, dressed in a dark grey Chinese tunic suit, the chairman was hale and hearty. While coming out of the reception room, he smiled and waved greetings to the Chinese and foreign reporters present there. He extended a warm welcome to Iranian President Khamene'i who is visiting China for the first time.

Deng Xiaoping told Khamene'i: China and Iran are friends and the Arab countries including Iraq and we are also friends. We hope that you will live in peace. He continued: We are Third World countries, which should unite and refrain from wasting our strength on disputes. We hope to see a stable Middle East and the present favorable international situation should be utilized to work for development. President Khamene'i said that he was very glad to meet Chairman Deng and expressed great appreciation for Deng Xiaoping's remarks. Deng Xiaoping wittily asked President Khamene'i about his age. When Khamene'i replied that he was 50 years old, Deng Xiaoping said: This is a happy time.

In dealing with the relations between the two countries, Khamene'i told Deng Xiaoping: Iran has all along watched China with great interest as a country where great changes have taken place in the past four decades. This period under your leadership is the most outstanding period of China. He said: Sino-Iranian friendly relations are due to enter a new period and this visit will push such friendly relations forward.

When President Khamene'i said: Iran wants peace, all Third World countries want peace, and the superpowers will be forced to accept peace but there are some people who do not accept peace. Deng Xiaoping responded with the old Chinese saying that "peace is most precious."

Deng Xiaoping also said: China has also encountered some problems in international relations. However, in the current relaxed international environment, we should not be afraid of troubles but should try to solve problems through dialogue. This is the only choice.

Present at the meeting were Chinese Foreign Minister Qian Qichen, head of the government accompanying group, Minister Huang Yicheng of Energy Resources, and others.

More on Khamene'i News Conference

LD1105163889 Tehran IRNA in English
1626 GMT 11 May 89

[Text] Beijing, May 11, IRNA—President 'Ali Khamene'i today termed his talks with Chinese officials as "fruitful" and said the discussions were held in an atmosphere of understanding.

At a press conference here, the president said that China is ready to help in Iran's reconstruction efforts and the Islamic Republic welcomes the idea.

In response to a CBS reporter whether Majlis Speaker Hashemi Rafsanjani's recent call to Palestinians only meant U.S. leaders or included ordinary Americans as well, President Khamene'i said the speaker has not advised anybody to kill just anybody else. Unfortunately, Rafsanjani's remarks had been distorted, as is evident by the hue and cry raised by U.S. statesmen and their press friends, he added.

Questioned by a BBC reporter whether the death sentence against the Indian-born British author of 'The Satanic Verses' Salman Rushdie was still in force and if the issue was discussed with Chinese officials, the president stressed that the verdict against the apostate was still valid but was not discussed in China.

On rumors that the ceasefire in the Iraqi war has affected China's economy, Khamene'i said as a matter of fact Chinese leaders were wholeheartedly happy with the armistice. He said U.S. allies look at all issues from the same point of view.

Of course, he added, those who instigated Iraq to embark on its attack against Iran and regimes which provided Baghdad with arms during the war, were not satisfied with the ceasefire.

On his talks with Chinese leader Deng Xiaoping Thursday morning, President Khamene'i said major international issues and bilateral relations were discussed. He described Deng as an experienced and skilled personality fully conversant in all international affairs.

Bilateral Accords Signed

*LD1205094189 Tehran IRNA in English
0914 GMT 12 May 89*

[Text] Beijing, May 12, IRNA—China has agreed to double its oil imports from Iran to 2 million tons a year to pave the way for a substantial increase in bilateral trade.

The agreement is part of a number of economic, cultural and diplomatic letters of understanding signed Friday at the end of President 'Ali Khamene'i's four-day visit to Beijing.

President Khamene'i, seen off by President Yang Shangkun, left the Chinese capital for a tour of one of China's Muslim populated regions.

The agreements were inked between Foreign Minister 'Ali Akbar Velayati and his Chinese counterpart Qian Qichen.

"Increased oil sales to China will be effective in the growth of bilateral commercial exchanges," Velayati told IRNA.

He said the two countries also reached an important agreement on banking which would create "very valuable facilities" for expanding trade ties.

Other letters of understanding called for the establishment of a joint research center, exchange of university students and teachers, and provision for scholarships.

Velayati noted that the two sides "greatly stressed" the expansion of cultural and scientific cooperations.

There was also agreement to end visa requirements for diplomatic and government service passports which would make it easier for officials to travel between the two countries.

Meanwhile in talks on power generation Iranian officials studied the possibility of joint Chinese-Iranian ventures in the construction of four 300-megawatt power plants in Iran.

The economic officials of the two countries are to hold the fifth session of their joint economic commission in September.

On Thursday President Khamene'i told Iranian students and diplomats in Beijing that the purpose of his visit—the first by an Iranian head of state after the 1979 Islamic Revolution—was to expand Iran's cooperation with China as an independent state.

"We insist on cooperation and common thinking with countries who feel independent and who sense this power within themselves. The aim of the visit to China is along this line."

The president also called for the dispatch of a larger percentage of Iranian students to China.

He said while Iranians should learn from other cultures and value systems, they should also preserve their own.

Yang Shangkun Bids Farewell

*OW1205092289 Beijing XINHUA in English
0617 GMT 12 May 89*

[Text] Beijing, May 12 (XINHUA)—Chinese President Yang Shangkun went to the Diaoyutai State Guesthouse here this morning to bid farewell to Iranian President Khamene'i.

Khamene'i told Yang that his China visit has been "a success." He said he was favorably impressed by his meetings with Chinese leaders and visits to Beijing's scenic spots and historical sites.

The Iranian guests left here this morning for a two-day visit to Urumqi and Kashi in Xinjiang Uygur Autonomous Region before leaving China for the Democratic People's Republic of Korea. Prior to the guests' departure, Chinese Foreign Minister Qian Qichen and his Iranian counterpart A. A. Velayati signed three agreements.

The agreements are: executive program of the 1989-1990 cultural, scientific and art cooperation between the Chinese and Iranian Governments; a memorandum on mutual exemption of visas between the two governments; and agreement on "banking management between Bank of China and Bank Markazi Jomhuri Islami Iran on procedures for settlement of payment in connection with the economic, scientific and technical cooperative projects provided by China to Iran."

Meanwhile, the mayors of China's ancient city Xian and Iran's second largest city Esfahan signed an agreement on May 7 in Xian, establishing sisterly relations between the two cities.

Sub-Saharan Africa

Zhao Meets South Africa's Communist Leader

*OW1205134589 Beijing XINHUA in English
1233 GMT 12 May 89*

[Text] Beijing, May 12 (XINHUA)—Chinese Communist Party (CPC) leader Zhao Ziyang today reaffirmed China's support for the South African people and the Communist Party of South Africa (CPSA) in their struggle against apartheid.

Meeting a delegation of the CPSA led by General Secretary Joe Slovo, Zhao, general secretary of the CPC Central Committee, said that China supports the South African people, relevant parties, and the United Nations in their efforts to solve the issue of southern Africa.

The CPC, he said, firmly supports the CPSA in its struggle against apartheid—a struggle in which the South African Communist Party has persevered for decades.

On behalf of the CPC Central Committee, Zhao expressed a warm welcome to the South African visitors.

Slovo briefed Zhao on the South African people's struggle against racism.

Zhao said that at present a trend is emerging towards relaxation in the international situation as a whole, and the problem of regional hot spots is beginning to be solved by political means.

Generally speaking, he said: This situation is favorable to the South African people.

He said the current relaxation of the situation in southern Africa and the process of independence for Namibia can be attributed mainly to the long struggle waged by the South African people.

Of course, he added, it is also due to the background of the international situation.

The complete realization of independence for Namibia may still take some twists and turns, Zhao said, but it is in tune with the trend of the times, and is irreversible.

Cameroonian Assembly Delegation Feted in Shanghai
OW1105134989 Shanghai City Service in Mandarin
2200 GMT 5 May 89

[Text] The Shanghai Municipal People's Congress Standing Committee gave a banquet at noon yesterday at the Hongqiao Guesthouse in honor of a delegation of the Cameroonian National Assembly, headed by President Fonka Shang Lawrence. Ye Gongqi, chairman of the Municipal People's Congress Standing Committee, gave a toast at the banquet. On behalf of the Standing Committee and the people of Shanghai, he extended a warm welcome to the Cameroonian guests. After briefing them on the achievements Shanghai has made in reform and opening up, he pointed out: We are both satisfied and dissatisfied with our work over the past 10 years. We need to think things out calmly and try hard to improve our work. The Municipal People's Congress should step up legislation in accordance with the people's wishes and earnestly supervise government work.

President Lawrence also made a warm and friendly speech. He highly praised the great achievements scored by China in reform and opening up.

West Europe

British Ambassador on Trade Prospects With PRC
OW1105213789 Beijing XINHUA in English
1447 GMT 11 May 89

[Text] Beijing, May 11, (XINHUA)—The British Government heartily supports Sino-British trade and investment on an equal and mutually beneficial basis, Sir Alan Donald, British ambassador to China, said here today.

He added that the British Government is in favor of providing financial help in its trade relations with China.

In 1988, the British Government offered China a 300 million pound loan on favorable terms.

The ambassador said his country has provided only two developing countries with loans on such favorable terms, one is Indonesia and the other is China.

He said the British Government will encourage more British companies to invest in China, and establish more offices in Beijing.

The ambassador went on to say that a 48-company investigation group will visit China in October, and 137 British companies will hold large-scale exhibitions in Beijing in November.

The ambassador said that joint ventures will undoubtedly play a major role in Sino-British trade and co-operation.

At present, British trade with China makes up only 1 to 1.5 percent of its total foreign trade volume.

RENMIN RIBAO Views Mrs Thatcher's Tenure
HK1005052189 Beijing RENMIN RIBAO in Chinese
6 May 89 p 3

[Dispatch from London by staff reporter Chen Tean (7115 3676 1344): "After Casting Off the Label 'Sick Man of Europe'—Mrs Thatcher's 10 Years in Office"]

[Text] This 4 May marks the 10th anniversary of Mrs Thatcher's assumption of office at 10 Downing Street. In recent days, biographies, reports, and commentaries on Mrs Thatcher and "Thatcherism," as well as the accompanying "Thatcher revolution," have flooded all major newspapers and periodicals in Britain. Radio and television have also opened special programs on "Thatcher's 10 Years." What are Mrs Thatcher's achievements since she assumed office 10 years ago? There are both praise and censure in public opinion here. However, it is generally held that in the past 10 years Mrs Thatcher has "greatly changed the outlook of the British economy" and cast off the label "sick man of Europe" and that the past decade has been "a decade of profound changes."

On 4 May a decade ago, as the first woman prime minister in British history, Mrs Thatcher delivered her first speech on the steps of 10 Downing Street. She called on all the British people to "march hand in hand and make concerted efforts" to "make the country prosperous and powerful." At that time, of the major industrialized countries, Britain registered the lowest economic growth rate, while its inflation rate was consistently the highest. Newspapers and periodicals in some European countries said Britain had been reduced to the status of a "less developed country" and regarded it as the "sick man of Europe" suffering from the "British malaise."

Up to now, Mrs Thatcher has pursued her fighting course for 10 years. She has not changed her original intention, nor have political upheavals, recession pressures, war flames, and even terrorist bombs shaken her determination to change the outlook of the British economy. The government under her leadership has upheld a retrenchment economic policy based on monetarism, and worked out and implemented a "medium-term financial strategy." They have yielded initial results. First, Britain's GNP has substantially grown for several years in a row. Between 1980 and 1988, the British economy grew by an average annual rate of 2.7 percent, surpassing not only such major industrialized countries as the United States, the FRG, and France but also the members of the OECD, which registered an average growth rate of 2.6 percent. It was second only to Japan, which registered an average growth rate of 4.1 percent. In 1988, Britain's economic growth rate reached 4.5 percent, exceeding Japan in terms of growth rate. On this count, Britain occupies a leading position in the Western industrialized countries. Second, its industrial structure has changed, its productivity has risen, and its competitiveness has increased. According to statistics, over the past few years, Britain's high-technology products have increased by an average annual rate of 18 percent and the proportion of new products put into the market has exceeded 45 percent, ranking first among the Western industrialized countries. The growth of high-technology industry has stimulated the reform of traditional industries, boosting the growth of Britain's labor productivity. Between 1980 and 1988, Britain's per capita output value rose by 22.5 percent, an average annual growth rate of 2.5 percent. The growth of the manufacturing industry was even more conspicuous, with per capita output value rising by 4.7 percent; the annual growth rate was even as high as 7 percent in 1988. Third, the financial revenue and expenditure have improved year by year. Following the economic growth, the government revenue has increased substantially; the retrenchment policy has reduced public spending; the privatization of state enterprises has not only cut down on the government's enterprise management costs but also brought an enormous income to the government. Thus, following the first surplus of 3.5 billion pounds in the 1987-1988 budget, the budgetary financial surplus for fiscal year 1988-1989 is as high as 14 billion pounds. It is estimated that the 1989-1990 budget will still have a surplus of 14 billion pounds. Moreover, Britain's unemployment situation has constantly improved. Between the second half of 1986 and last February, the number of unemployed people dropped from 3,400,000 to 1,946,000. The unemployment rate now stands at 6.8 percent, the lowest level since February 1982.

Some newspapers and periodicals here hold that these "fundamental changes" have enabled the British to "move from being disheartened and disappointed to self-confidence and hopefulness."

However, after casting off the label "sick man of Europe," the British economy is still facing a grim

reality. The Conservative government, which has consistently regarded bringing inflation under control as its primary economic objective successfully reduced the inflation rate from the historic high of 21.9 percent in May 1980 to an unprecedented low of 2.4 percent in June and July 1986. With the inflation rate picking up to 7.8 percent last March, inflation seems to be staging a comeback. Moreover, there was a record-breaking deficit of 14.5 billion pounds in the current account of Britain's balance of international payments last year. It will still be difficult to reverse this trend and there will still be a huge deficit this year.

In the face of such a serious challenge, in its budget report for fiscal year 1989-1990, the Conservative government still sticks to Mrs Thatcher's established economic policy, reaffirming that reducing the inflation rate is still the primary economic objective of the government and that it is determined to use high interest rates as a means to cool down the overheated economic growth, curb consumption, reduce inflationary pressure, and achieve the objective of steady economic growth under low inflation. It is estimated that Britain's inflation rate will top 8 percent in the near term but will drop to about 6 percent toward the end of this year.

The British Government also stresses the need to slow down the economic growth. However, to avoid the impact on all trades and professions following the sudden brake, it has pointed out the need to adopt a method of "soft landing" to gradually slow down the economic growth. It is estimated that the economic growth rate for this year will be 2-3 percent, much lower than it was last year, but it will still be above the average growth level of major industrialized countries.

Judging by the overall situation, Mrs Thatcher's Conservative government has cast off the label "sick man of Europe" during its 10 years in office, but it still faces a lot of problems, some of which are even very serious. However, the economic changes over the past 10 years have considerably strengthened Britain's economic power and restored its status as the fifth largest economic power in the world. People from all circles still have considerable confidence in the continued development of the British economy.

EEC To Help Develop Zhejiang Energy Resources
OW1205015089 Beijing XINHUA in English
1441 GMT 8 May 89

[Text] Hangzhou, May 8 (XINHUA)—The European Economic Community [EEC] has agreed to help east China's coastal Zhejiang Province develop new energy resources on the province's Dachen Island.

The agreement was reached at a recent seminar on new sources of energy jointly sponsored by the State Science and Technology Commission and the European Economic Community.

The development of alternative power sources—such as solar and tidal energy—on the island is a new item of Sino-EEC co-operation.

The EEC will now contribute four million U.S. dollars to the building of advanced facilities and equipment on the island.

Both parties have reached an agreement that within five years they will turn Dachen Island into a major new energy base among east China's harbors.

Machines and equipment provided by the EEC last year have already begun to show results. The development of solar energy has enabled the island to receive TV programs on four channels.

Dachen Island, which lies off the coast of Zhejiang Province, has an area of 14.5 square kilometers and is rich in potential solar and tidal energy and wind power.

Jiangsu's Chen Huanyou Receives FRG Bankers
OW1005184989 Hangzhou ZHEJIANG RIBAO
in Chinese 29 Apr 89 p 1

[Excerpts] While receiving bankers from Baden-Wurttemberg, FRG, yesterday evening, Jiangsu Governor Chen Huanyou, said: There has been great progress in economic cooperation between Jiangsu and Baden-Wurttemberg in recent years. With the support of bankers, such cooperation will be strengthened and speeded up.

Bruno Leir [name as published], president of the Baden-Wurttemberg Association of Savings and Remittances Banks, thanked Governor Chen Huanyou for meeting with them despite the many claims on his time. [passage omitted]

Yesterday at noon, a seminar on Jiangsu-Baden-Wurttemberg banking cooperation was held at Jinling Hotel in Nanjing. People from Chinese and German economic and banking circles happily gathered together to exchange information and discuss new opportunities for developing bilateral relations. [passage omitted]

East Europe

Justice Minister Fetes GDR Delegation
OW1105042189 Beijing XINHUA in English
0213 GMT 11 May 89

[Text] Beijing, May 11 (XINHUA)—A Sino-Democratic German coordinating agreement on criminal and civil laws was initialed here Wednesday.

During its stay in Beijing, the delegation of the German Democratic Republic led by Willi Giebel, an official of the Justice Ministry, held talks with its Chinese counterparts on the agreement from May 4 to 11.

Chinese Minister of Justice Cai Cheng and Vice-President Zhu Mingshan of the Supreme People's Court feted the delegation respectively.

Poland, Shenzhen Sign Cooperation Protocols
HK1205024689 Beijing ZHONGGUO XINWEN
SHE in Chinese 0348 GMT 10 May 89

[Report by reporter Zhan Moujun (6124 6180 0193): "Poland and Shenzhen Sign Several Cooperation Protocols"]

[Text] Shenzhen, 10 May (ZHONGGUO XINWEN SHE)—Some Polish enterprises and Shenzhen have signed protocols on economic and technological cooperation. Some Polish enterprises and Shenzhen plan to carry out cooperation with each other in processing chicken hams, pork hams, and sausages, in building a canned-ham cold storage plant, and in some other fields.

Yesterday, the six-member delegation of Polish enterprises headed by the commercial attache from the Commercial Affairs Office of the Polish Embassy in Beijing visited Shenzhen and showed great interest in Shenzhen's investment environment. After holding some talks, both sides agreed to carry out economic and technological cooperation with each other in the following projects:

To build a chicken farm in Shenzhen and a chicken-hams-sausage processing plant. With regard to this project, the Polish side will provide the technologies and some major equipment whereas Shenzhen will provide the production site and some of the equipment.

To produce Polish-style pork hams in Shenzhen. With regard to this project, the Polish side will provide the technologies, the production techniques, and a comprehensive plan for utilizing surplus pork. The Polish side will also be responsible for selling the products to a third country through its existing marketing channels. On the other hand, Shenzhen will provide the Shenzhen Guangming Overseas Chinese Livestock Farm and all the relevant materials concerning the pork hams and pork sausages Shenzhen now produces and provide Shenzhen's pig-raising techniques. Shenzhen will also brief the Polish side on the prices of similar products on the Southeast Asian market. The Polish side has also decided to build a canned-ham cold storage plant in the Shenzhen Special Economic Zone.

In the bilateral textile trade and the bilateral cooperation in garment processing, the Polish side has expressed its willingness to purchase cotton goods, knit goods, woolen goods, and some other goods from Shenzhen. The Polish side and Shenzhen have also agreed to jointly run garment factories in Poland and Shenzhen respectively to carry out the production and processing of readily marketable garments based on the samples provided by the Polish side. The Polish side will be responsible for marketing such products.

Political & Social

Report on Deng's Official Retirement in Mid-May

HK1205030089 Hong Kong MING PAO in Chinese
12 May 89 p 2

[Special dispatch from Beijing by unidentified contributing reporter: "Deng Xiaoping Will Officially Retire in the Middle of the Month"]

[Text] As revealed by authoritative sources here, after meeting with Gorbachev, Chinese leader Deng Xiaoping will officially retire from public life [tui yin 6622 7148], and will no longer meet foreign leaders to fulfill his promise of "letting younger comrades come up." The news on Deng Xiaoping's complete retirement was revealed by the Chinese Prime Minister Li Peng when he was meeting with Iranian President Khamene'i.

According to sources close to the Iranian President, when China and Iran discussed the itinerary of the visit of the Iranian president through diplomatic channels, both sides disputed whether the Iranian president should be received by Deng Xiaoping.

According to an explanation made by the Chinese side, Deng Xiaoping would not meet with the Iranian president because of the advice of his doctor. This would ensure that Deng would be energetic enough to meet with Gorbachev next Tuesday.

The Iranian side did not accept the explanation made by the Chinese side. It was learned that Iranian President Khamene'i strongly pointed out that before his visit to China, Deng Xiaoping met with Uganda's President Museveni, and that he will also meet with Gorbachev soon. If Deng Xiaoping did not receive him, he would cancel all of his official activities in China.

It was reported that at dusk on 9 May, Premier Li Peng met with Iranian President Khamene'i at the Diaoyutai Guesthouse. According to Li Peng, Deng Xiaoping has eagerly wanted to retire from the Chinese political arena. He will not receive any foreign guests after his retirement. However, he will meet with Gorbachev, because it was predetermined. After the meeting, Deng will completely retire.

However, the Iranian side persisted in its demand of "meeting with Deng Xiaoping." Under such circumstances, the Chinese side was compelled to make a concession, and an arrangement of Deng Xiaoping meeting with Khamene'i for 25 minutes was made yesterday morning.

According to Western diplomatic sources, the arrangement meant that the Chinese side did not want to aggravate the situation to ensure the welcoming banquet and the activities of the Iranian delegation in China would be smoothly arranged.

According to an analysis by observers, Deng Xiaoping's complete retirement from the Chinese political arena means the abdication of the "political old men" in China. But Deng Xiaoping in his capacity as an advisor is still respected by the younger leaders. However, some people believe that under the present situation, Deng can retire in name only. Due to his authoritative position, he will continue to play his role in Chinese politics.

Zhao Said Refusing To Support Sacking of Editor

HK1205034389 Hong Kong HONGKONG STANDARD
in English 12 May 89 p 1

[Text] China said yesterday it was drafting a new law on public demonstrations which would be discussed by the country's parliament in a meeting next month.

XINHUA News Agency gave no details of the new law, but did not directly link it to the demonstrations in the past few weeks.

The present Constitution theoretically guarantees the rights of citizens to demonstrate, but regulations introduced in 1986 ban non-approved protests in the capital. The Standing Committee of the National People's Congress will also discuss the student unrest.

It will also hear a report on the drafting of China's first journalism law in a meeting to be held in the second half of June.

Meanwhile, sources said party General Secretary Mr Zhao Ziyang had refused to show support for Shanghai party committee chief Jiang Zeming's sacking of WORLD ECONOMIC HERALD's editor-in-chief Mr Qin Benli, at a meeting of the party Politburo yesterday, the second day of the three-day deliberations.

However, to save face for Mr Jiang, the meeting would not nullify his decision to reorganise the liberal Shanghai-based newspaper, said the sources.

The decision to reorganise the newspaper has drawn protests from journalists and students.

The sources said Mr Jiang was now seeking to reach a compromise with the WORLD ECONOMIC HERALD by only asking Mr Qin to explain the newspaper's editorial policy.

In another development, Beijing student activists said they planned to ask Soviet leader Mikhail Gorbachev to discuss freedom and democracy with them during his visit to China next week.

Beijing University students said they intended to present an open letter to the Soviet Embassy in Beijing inviting Gorbachev to deliver a speech at their campus.

They also planned to hold a demonstration in Tiananmen Square at noon on Monday to coincide with Mr Gorbachev's arrival, saying it would be an opportunity to make their views known worldwide.

Most students at the university are reportedly continuing a classroom strike to press for reforms.

Party and government officials yesterday notified students that the authorities would give a concrete reply to their demand for dialogue within this week.

Gorbachev Visit To Test Government Tolerance

Demonstrations Planned During Visit

HK1205011389 Hong Kong SOUTH CHINA
MORNING POST in English 12 May 89 pp 1, 12

[From Seth Faison in Beijing]

[Text] Student leaders are planning to stage demonstrations during Soviet President Mikhail Gorbachev's visit next week in what could be a final push for their demands for a more democratic and clean Chinese Government.

But the students appear to be in sharp disagreement about the best way to attract attention during the summit, which will be covered by more than 1,000 journalists.

Some student activists claimed that a decision was made at a meeting on Wednesday evening to stage a demonstration in Tiananmen Square at noon on Monday to coincide with Mr Gorbachev's arrival.

But others said they would oppose such a plan, which they feared could put students into a confrontational role that they have successfully avoided so far.

"Gorbachev's arrival is a major event for our country. We should not get in the way," said a history graduate student.

"We are recommending a demonstration of some kind on Tuesday," he said.

The students also said they would invite Mr Gorbachev to speak at Beijing University.

Student leaders at Beijing Teachers University said no final plans had been made about demonstrations during the Gorbachev visit.

Several students said they would support some action during the summit.

"We should welcome him, because his reforms are much more advanced than ours. Our leaders should learn from him," said a mathematics student.

However, on Wednesday night, those students who met and decided to stage the demonstration on Monday, were far more strident. They said they wanted to meet Mr Gorbachev to discuss freedom and democracy.

Many journalists from the party-controlled media have publicly expressed support for the students in recent days, breathing new life into the demonstrations which at their height brought more than 100,000 marchers to the streets.

"The participation of the journalists has really excited the students," said one activist. "The students themselves are tired of demonstrating, but if the journalists have joined us then we must try harder".

"If nothing happens on May 15 (next Monday), then the student movement is over," one student added.

The Chinese students have taken heart from similar protests in other communist countries in recent months, and from Mr Gorbachev's efforts at political reform in the Soviet Union as well as his tolerance of dissent.

They have called for similar political reforms in China to match the economic reforms which have been introduced over the past decade. In recent days they have specifically called for more truthful reporting by the party-controlled media.

Meanwhile, members of the Standing Committee of the National People's Congress (NPC) are expected to discuss the drafting of China's first demonstration law when they meet next month, the NEW CHINA NEWS AGENCY reported yesterday.

Legal experts say the law will lay down specific conditions under which demonstrations can legally take place.

The speedy passage of the law will be in line with the demand of student activists, who charge that the government has not given guidelines as to how demonstrations can be legally conducted.

'Crisis' Viewed

HK1205035189 Hong Kong SOUTH CHINA
MORNING POST in English 12 May 89 p 12

["Analysis" by Willy Wo-lap Lam]

[Text] The decision by some student leaders to stage a rally to Tiananmen Square on the day of Soviet President Mikhail Gorbachev's visit has plunged the Chinese leadership into crisis.

It has also sorely tested the tolerant stance adopted by General Secretary Zhao Ziyang toward the student movement.

While party hard-liners, including conservative elders and central planning-oriented cadres, have urged tough action against students, Mr Zhao has espoused that force not be used against student demonstrators.

He has also affirmed the positive aspects of the students' search for democratisation.

Analysts think that Mr Zhao is trying to make way for reform.

In his meeting with a Turkish delegation on Monday, Mr Zhao said that "not only will China resolutely push forward with the reform of the economic structure, it will also further push forward with reform of the political structure".

He also told Bulgarian Communist Party leader Milko Balev on Wednesday that "many difficulties that have cropped up in the course of the reform of the economic set-up cannot possibly be overcome without a reform of the political setup."

Before the student movement, Mr Zhao had almost stopped mentioning political reform, one of his pet concerns.

The message of Mr Zhao to the students is clear, say analysts. The party boss wants the students to first stop their strikes and rallies and then channel their energy to supporting the reformist wing of the party.

By co-opting students and other intellectuals who actively support the students' crusade, Mr Zhao is also attempting to boost his own position.

The appeal of the General Secretary, however, has only had limited effect on students.

Instead of quieting down, campus activists have sought to broaden their base by holding demonstrations to support journalists' call for freedom of the press.

The rally on the day of Mr Gorbachev's visit, should it take place, could torpedo Mr Zhao's bid to give a push for reform by forming a temporary alliance with students.

"Conservatives who have been urging a crack-down will now say that Mr Zhao's conciliatory efforts are counter-productive," said a Western diplomat.

Hard-liners may even accuse Mr Zhao of being opportunistic.

Observers find it remarkable that Mr Li Peng and other leaders known to favour a tough approach have kept quiet.

Before Mr Zhao personally took up the handling of the students, Mr Li had played an active role principally through his confident Mr Yuan Mu, spokesman for the State Council.

Both in his press conference and his "dialogue" with students, Mr Yuan has subtly linked student movements to the spread of bourgeois liberalisation.

Mr Yuan has also refused to recognise the students' unions set up by campus activists.

With Mr Zhao's efforts to woo the students apparently backfiring, Mr Li may become more vociferous.

And should Mr Li succeed in winning over party elders including Mr Deng, a crackdown against students is likely.

Chinese sources say that leaders of the security establishment favour using all means possible to stop the students from demonstrating on Monday.

For rallies to take place that day will not only make China lose face at a time when the world's media are tuning in on China, but it will also reflect poorly on the ability of the security establishment to maintain law and order.

Spokesman on Demonstrations

OW1205063289 Beijing XINHUA in English
0613 GMT 12 May 89

[Text] Beijing, May 12 (XINHUA)—The State Council spokesman Yuan Mu today urged college students to refrain from new demonstrations but pledged continuing government restraint if the students do take to the streets.

He made the remarks at a press conference here when asked if university students in Beijing will stage another demonstration during Soviet leader Mikhail Gorbachev's visit here next week, and what specific government reactions will be.

Yuan said that party and government leaders have on different occasions expressed their views on the recent student movement and their demonstration and class-boycott. He urged the students to exercise calm, reason, restraint and order in resolving problems through dialogue.

The spokesman expressed his belief that the majority of students will take overall stability into consideration and safeguard China's international image.

In response to a question about China's first demonstration law now being drafted, Yuan said that such a law is needed in accordance with China's constitution to make sure that citizens can exercise their civil rights and that the interests of the state and other citizens are not infringed upon.

He declined to disclose specific articles of the draft law, saying its drafting is not completed yet.

More on Tolerance

HK1205031289 Hong Kong AFP in English
0309 GMT 12 May 89

[Text] Beijing, May 12 (AFP)—China indicated Friday that it would tolerate another big student demonstration when Soviet President Mikhail Gorbachev comes to Beijing next week.

State Council spokesman Yuan Mu told a press conference he believed most students would "protect the international prestige of China" and exercise restraint during the Sino-Soviet summit.

But when asked if he expected protests during the summit, and what the government's reaction would be, Mr. Yuan replied: "I hope that there will be no such demonstrations, but I can hardly be sure of it."

"Should they take place, then I think the correct policies and approaches adopted by the government will continue to be pursued so as to achieve a correct settlement of this issue (of student unrest)."

Mr. Yuan's remarks were similar to those he gave at a press conference one day before the last big student march in Beijing on May 4.

China has not used force to halt the student unrest. Communist Party general secretary Zhao Ziyang has instead expressed a readiness to open a dialogue with students on their demands for quicker democratic reform, press freedom and an end to corruption.

One poster at Beijing University on Thursday called for a demonstration when Mr. Gorbachev comes here Monday for the first Sino-Soviet summit in 30 years.

But leaders of student groups not formally recognized by the government had yet to announce firm plans for a protest.

Continuing Reportage on Student Unrest

Commentator Hopes Classes Resume

HK1205020689 Beijing RENMIN RIBAO OVERSEAS
EDITION in Chinese 12 May 89 p 1

[Commentator's article: "Work Together To Preserve the Overall Situation of Stability"]

[Text] Comrade Xiaoping said yesterday when meeting Iranian President Khamene'i: "China too must strive for a stable international and domestic environment, so as to develop itself."

Discussing recent demonstrations by some students in Beijing and elsewhere, Comrade Ziyang said to guests attending the annual meeting of the Asian Development

Bank on 4 May: "The most important thing now is calm, reason, restraint, and order, to solve the problems through democratic and legal means."

These remarks of the leading central comrades are extremely important.

China needs stability. This is linked to the destiny and future of the state and the nation, and in it lie the interests of the people of all nationalities in the whole country, including the young students. How can we achieve stability? Calm, reason, restraint, and order are really what are most needed now, and represent the only correct approach.

In the previous period the administrative authorities, teachers, students, party and Communist Youth League organizations, and student associations in tertiary education institutes in Beijing and elsewhere did a great deal of work to maintain normal teaching order in the schools. Despite the fact that some students were still boycotting classes and staging processions, the government has consistently taken an attitude of calm, reason, and restraint, while the majority of students have also shown increasing reason. With the common efforts of the sectors concerned, the situation has been prevented from becoming acute. The majority of students have now resumed classes.

Dialogue has now started between the government and the students, and it will continue to be held extensively at many levels and through many channels. More and more people realize that the problems that exist in our country, including certain problems raised by the students, can only be gradually resolved in an overall situation of stability through democratic and legal means. This still requires the common efforts of all sectors concerned.

In the past few days some students in certain tertiary education institutes in Beijing have not resumed classes and are continuing to stage processions. This has a certain impact on traffic and on normal social life in the capital. We hope that these students will calmly think things over, take a reasoned approach, return to their classrooms as soon as possible, and work together to preserve the overall situation of stability and normal order in our country and social life. This is the desire of the people of the whole country.

'Overwhelming Support' for Students

HK1205014289 Hong Kong SOUTH CHINA
MORNING POST in English 12 May 89 pp 1, 12

[From Seth Faison in Beijing]

[Text] A survey carried out by a polling group at a leading university has claimed that 68.3 percent of Beijing residents view student demonstrations as a desirable form of protest.

Showing overwhelming support for recent student action, the survey also claimed that 85 percent felt student demands for dialogue with senior officials were both reasonable and important.

In contrast, only 4.7 percent believed the government assertions that a handful of troublemakers "behind the scenes" were causing instability.

Seventy-one percent said they thought corruption was now the main cause of instability in China.

The survey of 865 residents was carried out door-to-door in six districts of Beijing earlier this month, just before the last big demonstration occurred.

Organised by young teachers in the psychology department at Beijing Teachers University, the polling group has circulated their results among colleagues and intellectuals.

The results, described as "preliminary study, for reference only," reinforce the widespread impression of protesters and witnesses that students enjoy deep support from ordinary residents.

For examples, 50.9 percent of those polled said they "strongly supported" the student movement, with 44.5 percent expressing sympathy and only 1.1 percent saying they were opposed.

A full 69 percent expressed confidence that the demonstrations would stimulate democratic reform, while 21 percent said they felt the demonstrations would have no tangible effect.

Asked about their greatest worry about the student movement, 23 percent said they feared violent clashes between students and police, while 42 percent said they worried students would be unable to "persist to the end".

Although the Beijing Teachers University poll appeared to have been conducted randomly in a variety of districts, the respondents were skewed toward younger, better-educated residents.

More than 50 percent of respondents were under 30, while 37.1 percent were between 31 and 50, and only 12.7 percent were over 50.

University graduates made up 43.9 percent of the respondents, while 20 percent were factory workers, 10 percent office or service workers, 10 percent government cadres, and 35 percent engineers or intellectuals.

Only 48 percent said they supported the students' class boycott, while 30 percent were opposed and 21 percent not sure.

Muslim Students Demonstrate

OW1205064989 Tokyo KYODO in English
0609 GMT 12 May 89

[by Antonio Kamiya]

[Text] Beijing, May 12 KYODO—About 2,000 Muslim students took to the streets in Beijing on Friday to demonstrate for religious freedom and equal rights for ethnic minorities.

The students, some in ethnic dress, began their procession from the Libai Mosque in downtown Beijing at noon and marched toward the Tiananmen Square several kilometers away.

The demonstrators chanted "Allah is Great" and various slogans along the way.

It is the first time ethnic minorities in Beijing have staged a civil rights demonstration since massive pro-democracy student demonstrations erupted nearly 4 weeks ago.

Demonstrators Friday included ethnic students from the Central Institute of Nationalities, Beijing University, and Qinghua University. Organizers said students from at least 17 universities took part in the demonstrations.

The students were demonstrating to call for religious freedom, equality of ethnic minorities, and civil rights for ethnic minorities.

The students' action came less than 2 hours after State Council spokesman Yuan Mu urged university students to act with restraint and settle their grievances through dialogue with party and government officials.

They should "act to protect the international prestige of China," he said when asked by a reporter about possible student demonstrations during Soviet President Mikhail Gorbachev's visit next week.

Yuan would not say specifically how the Government will respond if the students defy a ban against unauthorized demonstrations, merely saying that authorities will take a "correct policy and approach."

The authorities stopped acting against student demonstrations after party chief Zhao Ziyang expressed sympathy for the students' movement in a conciliatory speech last week.

Meanwhile, students from the China University of Political Science and Law said Friday they would stage a hunger strike in Tiananmen Square on Saturday afternoon to press their demand for press freedom and an immediate public dialogue with authorities.

Government officials have twice declined to reply to a demand for dialogue made last Saturday by a group of independent group of university students.

In a related development, the official XINHUA NEWS AGENCY reported that party Politburo member Hu Qili went to the officials of the CHINA YOUTH DAILY Thursday for a dialogue with editors and reporters of the newspaper.

The agency, quoting a report from the newspaper, said Hu listened to opinions raised by the CHINA YOUTH journalists.

CHINA YOUTH said the discussion was held in a "a cordial, harmonious and friendly" atmosphere but gave no further details on the contents of the meeting.

Earlier this week, two CHINA YOUTH DAILY journalists submitted a petition signed by more than 1,000 editors and reporters from all major news organizations in Beijing calling for dialogue with party and government officials.

Mainland Scholars Call for Political Reform

OW1205010089 Shanghai Voice of Pujiang
in Mandarin to Taiwan 0900 GMT 6 May 89

[Text] According to a report by the Hong Kong TA KUNG PAO, some 20 noted mainland scholars, including Li Honglin, Yu Haocheng, and Yan Jiaqi, recently signed a joint proposal on marking the May 4 Movement and on deepening reform. The proposal points out: Reform of the political structure should not be dragged out any more. The proposal calls for a real solution to the problem of separation of party and government functions and of party leading government. It also calls for a truly free and democratic election, for people's congresses at various levels being actual power organs of the state, and for an independent judiciary.

The proposal says: The death of Hu Yaobang triggered student demonstrations, awoke China, and shocked the world. Young students have sincere hearts; they want democracy, support reform, oppose dictatorship, and hate corruption; their action is commendable and theirs is a very patriotic stand; their action is a strong moving force for socialist modernization, and the continuation of the spirit of the May 4 movement in the new period.

The proposal also says: On the occasion of the 70th anniversary of the May 4 movement, history has again presented the Chinese people with the task of democracy. At this critical juncture, youth again marches in front. It is the hope of the Chinese nation. Chinese people should be proud of having these youths.

The proposal says: We should persist in reform; we should never leave the task of reform unfinished. To that end, we should establish the authority of democracy and the rule of law; we should use the spirit of the rule of law

to promote reform and safeguard citizens' rights enshrined in the Constitution. To achieve this, we should first have freedom of speech, freedom of the press, and be free to gather, form organizations, parade, and demonstrate.

Papers Hold Forum To Commemorate Hu Yaobang

HK1205061089 Shanghai SHIJIE JINGJI DAOBAO
in Chinese 24 Apr 89 P 1

[Dispatch by reporter Zhang Weiguo (1728 0251 0948): "Uphold Reforms and Open Policy, and Promote Democratic Construction—'Comrade Yaobang Lives in Our Hearts' Forum Held in Beijing Under Joint Auspices of This Paper and XIN GUANCHANG"]

[Text] A symposium entitled "Comrade Yaobang Lives in Our Hearts" was held in a conference room of the Ministry of Culture under the joint auspices of this paper and the journal XIN GUANCHANG last Wednesday. The symposium recalled the immortal achievements of Comrade Yaobang in the implementation of the reforms and opening policy in our country, and expressed the determination to take over the torch for reforms held high by Hu Yaobang, vigorously push forward the implementation of the reforms and opening up policy, build democratic politics as well as carry out reforms in China in a scientific and rational manner.

Hu Yaobang's son Hu Deping delivered a speech on behalf of his family. He said: "Even though my father's death was sudden, our entire family will not plunge into self-destructive grief. We hope that the memorial activities will be conducted in a peaceful atmosphere and mood, from top to bottom and from left to right."

Also speaking at the symposium were Comrade Hu Yaobang's old friends, comrades, and staff members as well as representatives from various circles: Li Chang, Shao Hua, Wu Jiang [0702 3068], Yu Haocheng [0060 3185 2052], Qin Chuan, Su Shaozhi [5685 4801 2535], Wu Xiang [0702 6272], Zhang Lifan [4545 4539 0416], Liu Zhanqiu [0491 3277 4428], Dai Qing [2071 2532], Yu Guangyuan, Wu Mingyu, Yan Jiaqi, Li Rui, Zhang Langlang [1728 6745 6745], Feng Lanrui [7458 5695 3843], Tong Dalin, Pan Weiming, Sun Changjiang [1327 7022 3068], Zhang Xianyang [1728 7359 2254], Lin Jinyao [2651 6855 5069], Wei Dianhua [7279 0368 5478], Chen Ziming [7115 1311 2494], Liu Ruishao [0491 6904 4801], and Hu Jiwei. Others present at the symposium included: Feng Mu, Liu Ji [0491 0679], Zheng Zhongbing [6774 0112 0393], Hu Jianmei [5170 7003 5019], Liao Shuming [1675 2885 2494], and Song Guilun [1345 6311 1510]. The symposium was presided over by Ge Yang.

After the symposium, wreaths presented by this paper and XIN GUANCHANG were delivered to the Monument of the People's Hero at Tiananmen Square.

Hu Jiwei Calls for 'News Freedom'

HK1105125689 Beijing ZHONGGUO XINWEN SHE
in Chinese 1128 GMT 11 May 89

["Hu Jiwei Publishes an Article in SHIJIE JINGJI DAOBAO, Calling for News Freedom"—ZHONGGUO XINWEN SHE headline]

[Text] Shanghai, 11 May (ZHONGGUO XINWEN SHE)—Hu Jiwei, president of the Federation of the Societies of Journalism in China, published an article in the latest issue (No 441) of SHIJIE JINGJI DAOBAO, saying that it is unreasonable to say that "news freedom may cause instability."

Hu Jiwei said: It is generally agreed in the world that news freedom is an effective "vent" which can prevent the burst of some extreme sentiments, can mitigate social contradictions, and reduce mistakes in the making of government policies. So it is a major factor contributing to the longlasting stability and social order in a democratic country.

This veteran journalist, who is former editor in chief of RENMIN RIBAO said: Without news freedom, the people will become helpless when they perceive mistakes in the policy decisions made by the authorities and notice the spread of corrupt phenomena. If this state of affairs remains unchanged for a long time, many people will become apathetic and they will become disinclined to speak out, to think, and even to get angry, just letting the evil things go unchecked. This is not genuine "stability and unity" but just reflects people's apathy, indifference, and depressed mentality. This in fact engenders greater dangers. He asked: Can a leader with modern political thoughts rest content with such phoney "stability and unity"?

Hu Jiwei's article is entitled "Without News Freedom There Will Be No Genuine Stability and Unity." This article points out: The 10-year Cultural Revolution represented the most seriously unstable period in China, and it began with trampling on the Constitution and unmitigatedly eliminating people's freedom of speech, freedom of the press, and news freedom. Hu Jiwei also quoted many examples to show how news freedom was restrained in China. In some cases, the relevant people in power blatantly defied the laws and applied rude means to suppress news freedom. Real danger comes from such things, which constitute a virtual unstable factor.

Hu Jiwei's article also said: No government of a country fails to establish its authority. However, only in an environment with news freedom can the democratic authority supported by the people be really established. The authority formed under a condition without news freedom can only be an autocratic authority. It will only be able to make the people silent but will never be able to quench the people's resentments and indignation. Democratic authority is the best guarantee for stability, while autocratic authority is most detrimental to stability.

Shanghai's WEN HUI BAO today also carried the excerpts of Hu's article in an eyecatching place on the first page.

Yuan Mu Thwarts Antibourgeois Liberalization

HK1205083889 Beijing XINHUA Hong Kong Service
in Chinese 0751 GMT 12 May 89

[Report by reporter Sheng Zuren (4141 4371 0088): "Yuan Mu Says China Will No Longer Launch Anti-Bourgeois Liberalization Movements"—XINHUA headline]

[Text] Beijing, 12 May (XINHUA)—At a press conference for Chinese and foreign reporters here today, Yuan Mu, spokesman for the State Council, said that China would no longer launch antibourgeois liberalization movements. But he stressed that the struggle against bourgeois liberalization trend of thought would exist in China for a long time.

When asked whether or not there would be a thoroughgoing antibourgeois liberalization movement, Yuan Mu said: "In overcoming bourgeois liberalization we can only painstakingly and patiently step up political and ideological work, because relying on launching mass movements will not solve problems. We do not have any intention to launch a large-scale antibourgeois liberalization movement."

Yuan Mu pointed out that opposing bourgeois liberalization and resolutely safeguarding the four cardinal principles mean the same thing because "it is repeatedly pointed out in the important documents of our party and government that the key problem of bourgeois liberalization is the negation of party leadership and the socialist system."

He held, however, that instead of launching mass movements, work in the ideological field can only be carried out slowly.

Stability Benefits Nation, Commentary Says

OW1205101289 Beijing XINHUA in English
0600 GMT 12 May 89

[Text] Beijing, May 12 (XINHUA)—China needs stability, which will benefit the whole nation, including university students, says a commentary in today's "PEOPLE'S DAILY".

It quotes senior Chinese leader Deng Xiaoping as saying that China is striving for a stable international and domestic environment in which to work for development.

It also recalls that the general secretary of the Chinese Communist Party, Zhao Zhiyang, said during a meeting with governors of the Asian Development Bank on May 4 that the most important needs of the country at present are calm, reason, restraint and order.

"So the only right thing for us to do at present," it says, "is to be calm and exercise reason, restraint and order."

When the recent demonstrations were launched by Beijing students, college and university authorities did their best to keep things in order.

As far as the students are concerned, it says, they are becoming more and more reasonable and some of them have returned to school, which has helped to avoid intensification of differences between them and the government.

The commentary says that nowadays discussions between students and government authorities are being held on a wide range of matters.

The majority of people believe that the existing problems in the country and the problems raised by the students can be solved only in conditions of general stability and in a democratic and legal way.

In recent days, some students in the Chinese capital have continued to demonstrate, which has led to city traffic jams and disruption of people's lives.

The commentary urges the demonstrators to calm down, return to school and help the government to maintain stability and order.

This, it says, is the cherished wish of the whole nation.

Column Reviews May 4th Anniversary Activities
HK1205005289 Beijing CHINA DAILY in English
12 May 89 p 4

[From the "Opinion" column: "Great Love for China on May 4"]

[Text] In 1919, the Chinese Government suffered a failure at the peace conference of Paris. As a victorious country of World War I, China urged the imperialist powers at the conference to consider giving up all their privileges in China, abrogating the 21-article treaty that Japan imposed on China and recalling all the privileges of Japan in China's Shandong Province. Nevertheless, this demand was turned down.

When the government was ready to retreat by signing the Peace Treaty of Paris, the Chinese people rose to action.

On May 4, thousands of Beijing University students took to the streets, chanting anti-imperialist and anti-government slogans.

The demonstration soon triggered a nationwide anti-imperialist and anti-feudalist movement, a movement of patriotism to save the Chinese nation from being carved up by foreign powers.

Chinese intellectuals actively participated in this movement, during and following which they launched a massive publicity campaign. They tried to find the causes for the declining of the Chinese nation in modern times against a broader cultural background. Thus the May 4th Movement in a broader sense is also called the new culture movement.

In recent years Chinese scholars have developed many new appraisals of past events. The nature of the May 4th Movement as a patriotic movement, however, is still generally acknowledged.

But a PEOPLE'S DAILY article by Lei Yi this month reminded readers that advanced intellectuals during the May 4th Movement had developed a fresh new sense of patriotism, which must not be misunderstood or neglected by the following generations.

These intellectuals loved their country, but they did not advocate a narrow patriotism to cherish everything Chinese. They opposed imperialist powers for their aggression against China, yet they were not "anti-foreign."

In this way, the May 4th Movement differed greatly from previous movements like the Boxers' Uprising and the Reform Movement of 1898. In the Boxers' uprising, the decadent Qing Dynasty government was regarded as the country's symbol and all foreigners were considered devils. Hence, the slogan of "supporting the Qing and eliminating foreigners."

Advanced Chinese intellectuals in the May 4th Movement did not stop at advocating love for or loyalty to one's country or state. In his "Should we be patriotic or not?" Chen Duxiu, standard-bearer of the new culture movement put it bluntly: If we are asked whether we love our state, we should first of all ask what is the state?

As Chen saw it, a state is nothing but an organization to unite the people to resist foreign aggression and to mediate the disputes of the people inside the country.

Western Culture

Another scholar, Gao Yihan, stressed that a state is the product of a kind of contract between the people and the ruler. Like Chen, he refused to accept the idea that the state is above everything else—that it enjoys supreme power over the people.

The conclusion of scholars like Chen was that if a state failed to perform its duty well, its existence is no longer a source of pride to the people. Likewise, its perishing causes them no sorrow.

Towards foreign aggression, advanced intellectuals also kept a sober mind. They urged that in opposing foreign aggressors in China, one must not reject the Western culture brought along by force.

Li Dazhao, who later became one of the founders of the Chinese Communist Party, said that oriental culture like China's was static and conservative while Western civilization was dynamic and progressive. So, as Chen Duxiu put it, "If we are determined to reform, we must adopt every new measure of the West. One must not interfere with this trend on the excuse of saving China's cultural quintessence or considering the special conditions of China."

The standard bearers of the May 4th Movement developed fresh new ideas in interpreting patriotism and opposing foreign aggression, and they saw this as an effort to transform the "nature of the Chinese nationals," a fundamental way to save China from being perished, the PEOPLE'S DAILY article commented.

The article praised these intellectuals for upgrading patriotism of the May 4th Movement to a new height.

It admitted that these intellectuals somewhat went to extreme by totally negating the traditional culture of China. Under the then circumstances, however, the article said, only the harsh words were able to waken the Chinese nationals. These intellectuals just wanted to go to extreme in uttering harsh words.

Seventy years later, we still can see and feel, by penetrating their harsh words, their great love for the country and for the nation, the article concluded.

Priests Accused of Damaging Sino-Vatican Ties
HK1105041389 Hong Kong HONGKONG STANDARD
in English 11 May 89 p 8

[By Fan Cheuk-wan]

[Text] Leaders of China's state-approved Catholic Church have accused priests loyal to the Vatican of conducting anti-socialist activities and damaging Sino-Vatican relations.

Vatican supporters were blamed for instigating Catholics in Youtong, a small village 30 kilometres south of Shijiazhuang, to break the law by occupying a school they hoped to use to conduct services.

The priests were also accused of spreading anti-socialist information.

The "illegal activities" of the villagers have been blamed for a violent clash between Vatican Catholics and the police last month.

The Hong Kong-based UNION OF CATHOLIC ASIA NEWS said two people were killed and 88 seriously injured when 5,000 police assaulted Catholics with sticks, electric rods and bricks during the clash.

Though the Chinese Constitution guarantees religious freedom, Catholics are encouraged to support the state-approved church. Those supporting the Vatican often feel compelled to operate underground.

Mr Anthony Liu Bainian, vice-president of the Chinese Catholic Church Administration Commission, said the secret activities of Vatican-ordained priests had damaged the stability and unity of the Chinese Catholic Church.

"Those Vatican-ordained priests spread anti-socialist thought and they used religious activities to fulfil their political objectives," he said.

"They even regard it as inappropriate for the Catholics to support the Chinese Communist Party."

He accused the Vatican of interfering in China's internal affairs. "They should stop doing it for the sake of Sino-Vatican relations," he said.

Bishop Jin Luxian of Shanghai said last year there were more than 10 bishops and 200 Vatican-ordained priests operating secretly on the mainland.

The approved church has 59 bishops and more than 1,000 priests.

Leaders of the approved church say Vatican priests do not have "proper theological training."

Priests of the Chinese Catholic Church must receive five to six years' theological training before being ordained.

Catholics in Youtong reportedly occupied the school because they needed somewhere to conduct services.

Mr Liu admitted there had been fights between Catholics and police in Youtong, but denied anyone had died.

"The parish in Youtong is an illegal organisation headed by the Vatican-ordained priests," he said.

"Their illegal occupation of the school had stopped the normal classes and affected the students' studies. The police raided the village according to the law."

"The Public Security Bureau sent officers to persuade them to leave the school, but they refused and detained the police. This confrontation later sparked off the clash," he said.

"Public security guards were also beaten up by the Catholics and several of them were seriously injured."

About 1,500 of the 1,700 Catholics in Youtong are loyal to the Vatican.

Bishop Jiang Taoran, head of Shijiazhuang Parish of the approved church, acknowledged there were conflicts with Vatican loyalists.

"Our church encourages Catholics to love our country and respect the social system of China. We object to confrontation and clash," the bishop said.

"But the underground priests disagree with our views because they are against the socialist system. They also attack us as a pro-government organ."

Yang Shangkun Meets CPC History Researchers
HK0805045989 Beijing RENMIN RIBAO in Chinese
30 Apr 89 p 2

[Report by Hu Qinghai (5170 3237 3189): "Hu Sheng Discusses Research on CPC History"]

[Text] Beijing, 29 Apr (XINHUA)—The national conference on research on the History of the CPC ended in Beijing today. Yang Shangkun, head of the leading group on party history of the CPC Central Committee, today met with the participating comrades. He encouraged them to adopt a scientific attitude and do a good job in the research on party history.

Speaking at the meeting, Hu Sheng, president of the Society of Research in the History of the CPC, emphasized that the study of the party's history over the past 40 years since the founding of the state should be regarded as the main task of this research. It is necessary to treasure the great achievements the party has made over the past 40 years, but at the same time, it is necessary to gain a profound understanding of the "leftist" mistakes the party committed after 1957. It is necessary to sum up our experiences and lessons in a scientific way.

Wu Xueqian Attends 'Friendship Day' Rally
OW1005022989 Beijing XINHUA in English
1427 GMT 5 May 89

[Text] Beijing, May 5 (XINHUA)—More than 600 Chinese and foreigners held a "Friendship Day" gathering here today, marking the 35th anniversary of the founding of the Chinese People's Association for Friendship with Foreign Countries.

Sponsored by the association, the "Friendship Day" is the first of its kind since 1954 when the association was set up.

The association is China's largest nongovernmental organization which keeps friendly contacts with the people of more than 140 foreign countries and has cooperation and friendly relations with more than 100 organizations in about 70 countries.

Addressing the occasion this afternoon, Zhang Wenjin, president of the association, said that he appreciates the supports and help to his association from various sectors at home and abroad in the past decades.

He said that the organization will make efforts to promote the understanding and friendship between the people of China and foreign countries and maintain world peace.

The guests watched a song and dance performance at the gathering.

Among the guests present at the "Friendship Day" gathering were Chinese Vice Premier Wu Xueqian, and vice chairmen of the Standing Committee of National People's Congress Xi Zhongxun and Liao Hansheng.

Paper Remarks on Administrative Procedure Law
OW1205085989 Beijing BEIJING REVIEW
in English No 19 8-14 May 89, p 4

[Note from the editors: "Civilians Can Sue Officials"]

[Text] The Administrative Procedure Law of the People's Republic of China, adopted at the National People's Congress on April 4, will be formally put into effect on October 1, 1990. This is a major event in the construction of China's legal system as well as an important step towards the building up of China's political democracy.

In modern China, the administrative procedure law, the criminal procedure law and civil procedure law are the three major types of procedure laws. Promulgation of the administrative procedure law is an important step along China's path to a socialist legal system. The laws governing criminal procedures and civil procedures went into effect in 1979 and 1982 respectively.

In feudal China of thousands of years, the common people called the use of law to settle cases "guansi," which meant cases were tried by the government. At that time government organizations were the embodiment of law. The common people could only come before them to bring a lawsuit against somebody, but not against government organizations themselves, so legal supervision over administration and management was simply non-existent.

Since the founding of New China in 1949, serving the people has been the purpose of the people's government; in this respect it is totally different from the feudal government. But since government functionaries differ in ability and character, there are still malpractices for selfish ends on the part of a few. While performing their duty, it is hard for them to completely avoid infringing on the legal rights and interests of citizens. The law

governing administrative procedures provides an effective legal guarantee that citizens' legitimate rights and interests are not infringed upon by administrative organizations and their personnel.

Instituting a law on administrative procedures has been an inevitable trend in the development of society over the past few years. After 1978, China implemented the policy of reform and opening up to the outside world. Over the past decade, marked changes have taken place. Evidence of this is: The ossified economic system has been breached and many old concepts have been assaulted by changes in the economic base. The deepening of reform to the economic system calls for pushing forward reform of the political system. The legitimate rights and interests won by citizens, enterprises and institutions through reform call for legal protection, and reform in turn also calls for changes in government functions, so as to institutionalize and legalize administration and management.

China attempted the establishment of an administrative procedure system in 1982. It is stipulated in the law governing civil procedure (for trial implementation) that the people's court is responsible for the handling of administrative cases for prosecution as stipulated in law. Before the adoption of the law governing administrative procedures, China has had more than 130 laws and administrative rules and regulations which stipulated that citizens and organizations can bring up a suit in the people's court with regard to administrative cases. The Supreme People's Court and various local people's courts has successively set up over 1,400 administrative judicial courts which had begun work. In 1987, people's courts at all levels across China handled 5,240 first instance cases; the figure jumped to 8,573 cases in 1988. All this has created conditions for the enactment of the law governing administrative procedures.

The law governing administrative procedures was universally acclaimed by the public. When the draft of the law was published in newspapers on November 10 last year by the NPC Standing Committee to solicit opinions, letters were received from many people including workers, farmers, judicial personnel, lawyers, administrators, teachers, students and foreigners of Chinese origin. They agreed that enactment of the law governing administrative procedures embodied the principle that all power belongs to the people.

While the draft law governing administrative procedures was put up for examination and discussion at the Second Session of the Seventh National People's Congress earlier this year, except for a few persons who thought that conditions were not ripe for formulating the law in China, the overwhelming majority of the deputies favoured enactment of the law. They said that with this law, civilians could sue officials and the administrators are placed under the people's supervision, thereby helping realize a genuinely clean government.

The law governing administrative procedures is an achievement in the reform of China's political system; it will push this reform further forward. At present, both China's economic and political systems are at a critical juncture: The old is being replaced by the new, and the responsibilities of government and state-owned enterprises are in a state of confusion. Before the law governing administrative procedures can be comprehensively implemented, it will be necessary to further rationalize the economy and political systems and deepen the reform.

There is a one-and-a-half-year interval between the publication of the law governing administrative procedures and its formal implementation. During this period, preparations should be made, such as giving widespread publicity, fostering in people the sense and courage to use the law as a weapon to protect their own rights and interests; discarding the old concept that "people should not sue officials," drawing up detailed rules for the implementation of this law; and foster an administrative and judicial contingent of professionals well versed in law. Such preparations, fully carried out, will make for more effective implementation of this law.

Mao's Grandson Writes Novel on Ming Emperor
HK1205014689 Hong Kong HSIN WAN PAO
in Chinese 10 May 89 p 4

["Mao Xinyu, Only Grandson of Mao Zedong, Writes Novel on Zhu Yuanzhang"]

[Text] According to a report carried in SICHUAN RIBAO, Mao Zedong's only grandson Mao Xinyu has devoted himself to writing a biography of Zhu Yuanzhang entitled "The Morning and Evening Tolls in the Palace." The 500,000 character book is expected to be completed when he graduates from the university. Mao Xinyu, 19, is a student of the History Faculty of the People's University of China.

Mao Xinyu said that he wanted to write this book because his grandfather and the emperor of the Ming Dynasty had many things in common. They knew about the hardships of peasants because both of them came from the countryside. Both advocated storing grain everywhere and made contributions to maintaining the unification of the country.

Mao Xinyu, who is 1.75 meters tall and weighs 210lb, looks very much like Mao Zedong. His father Mao Anqing, formerly deputy director of the Operational Department of the PLA General Chief of Staff, has retired now. His mother Shao Hua is a writer. He lives with his parents and grandmother-in-law in a peaceful quadrangle in Xishan, Beijing.

Mao Xinyu was born on 17 January 1970. When Qiu Huizuo told Mao Zedong that only one could survive from the difficult labor, Mao immediately gave an instruction: "Try to save both the mother and baby." A Caesarean operation was finally performed and both

mother and baby were safe and sound. Mao Zedong personally gave the name "Xinyu" to his grandson which meant opening up a new field.

Book on New China To Be Distributed

OW0805115089 Beijing XINHUA Domestic Service
in Chinese 1204 GMT 2 May 89

["Local Broadcast News Service"]

[Text] Beijing, 2 May (XINHUA)—The Propaganda Department of the CPC Central Committee and the State Press and Publications Administration recently issued a circular recommending as a good book "40 Years of Vigorous Advance" for conducting education in patriotism and the current situation.

The book "40 Years of Vigorous Advance," compiled by the State Statistics Bureau, describes the magnificent 40-year course of New China with accurate, irrefutable, and objective facts. The words Premier Li Peng of the State Council wrote for the book are: "It has plenty of information, which is the basis for policy making." The book will be distributed soon.

State Council 'Satisfied' With Asian Games

OW1105213289 Beijing XINHUA in English
1505 GMT 11 May 89

[Text] Beijing, May 11 (XINHUA)—The State Council of China has been satisfied with the progress of construction work for the 1990 Asian Games, said Zhang Baifa, vice-chairman of the games organizing committee.

Zhang, also vice-mayor of Beijing, made the remark at a ceremony held here today.

The 11th ASIAD is scheduled to be held in Beijing from September 22 to October 7 next year.

The vice-chairman told that after listening to a report on the progress of the construction work for the Asian Games and its other work concerned at a working conference of the State Council held on Tuesday, the State Council expressed its satisfaction and also helped the organizing committee basically solve some concrete problems about the games.

Zhang added that under the leadership of the party Central Committee and the State Council and in the great support from compatriots abroad and at home, "we are determined to run the Asian Games well."

State Council Cadres Quit Part-Time Jobs

OW1005161289 Beijing XINHUA Domestic Service
in Chinese 1136 GMT 4 May 89

[By reporters Cao Yongan (2580 3057 1344) and Chen Yun (7115 5366); local broadcast news service]

[Text] Beijing, 4 May (XINHUA)—In the course of screening and reorganizing corporations, 843 cadres of the 60 departments under the State Council who hold concurrent jobs in various corporations (enterprises) have quit one job or the other on their own initiative, in line with the relevant regulations of the party Central Committee and the State Council. Those who work for the government now devote themselves to doing government work, and those who have decided to conduct business are concentrating their efforts on carrying out their commercial activities.

The problem of a remaining 181 cadres who still hold concurrent jobs need to be solved. Most of the problems involve various policies. The majority of these cadres work for various corporations in the fields of science and technology, education, culture, the arts, journalism, and publications.

Embezzlement of Funds for Supporting the Poor

HK1005150389 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0945 GMT 8 May 89

["Special Article" by Shi Fu (4258 1133): "The Policy for Helping the Poor Has Not Been Fully Implemented, and Some Officials Robbed the Poor"]

[Text] Hong Kong, 8 May (ZHONGGUO TONGXUN SHE)—During the past 10 years, the economy on the mainland has been developing. However, in the rural areas (mainly mountainous and remote areas), tens of thousands of people have not solved the problem of having enough food to eat and ample clothing to wear. To help the masses in the poor areas eradicate poverty and become rich, the state has provided a large sum of loans to the poor. During the 3-year period from 1986 to 1988, the state provided loans totaling 3 billion yuan to help 273 poor counties in 21 provinces (regions). Some of the loans were properly and effectively used, so that many localities succeeded in extricating themselves from the difficult position of cold and hunger. They have begun eradicating poverty and becoming rich. However, some of the loans were not properly or effectively used, and poor peasant households in some localities were not really benefited. In some other localities, persons in authority took advantage and used the loans for their own private gains.

Newspapers and magazines on the mainland have recently exposed corruption among a number of officials who turn a blind eye to the difficulties of the people, and think only of enjoying comforts.

Chaoyang Prefecture in Liaoning Province is one of the 10 poorest areas in China. Every year the state has to provide it with relief funds totaling more than 10 million yuan. However, leaders of Chaoyang City, who are responsible for this poor area, disregarded the decision of the State Council on banning the construction of office buildings, large halls, and guest houses. They have recently built 16 luxurious flats for the mayor and party secretaries of the city, covering a floor space of 139 square meters, or of 164 square meters each. Such floor space exceeded the standards set by the state.

Zichang county in Shaanxi province is the poorest county in Yanan prefecture. Every year the state allocates more than 10 million yuan to it. He Yu, party secretary of the county, embezzled the funds earmarked for helping the poor to a sum of 25,000 yuan in the name of carrying out an inspection tour. He led a group of more than 20 officials to Shanghai, Hangzhou, Guangzhou, Shenzhen, Beijing and so on for sight-seeing. The trip lasted 37 days, and a total of 34,000 yuan was spent on it.

Daan City in Jilin Province has successively suffered from natural calamities in recent years. The state has provided it with relief funds and materials. In addition, some people in various parts of the province also contributed grain coupons to the city. However, Wang Xuezheng, director of the civil administration bureau of the city, sold 389,000 jin of relief grain coupons, and earned more than 71,600 yuan. He embezzled the money, and set up a "small treasury" in the civil administration bureau owning more than 1,700 yuan which served their eating, drinking and pleasure-seeking. Last year, Civil Administration Bureau of Daan City also misappropriated funds in the sum of 18,000 yuan allocated by the state for helping the poor. Wang Xuezheng himself embezzled 3,100 yuan to buy a color television set for his relatives.

In the poor Guizhou Province, there were numerous cases of officials embezzling money earmarked for helping the poor. Heshui Township in Yinjiang County was provided with special loans totaling 145,000 yuan for raising pigs. But the money was misappropriated by 21 cadres in the township party committee, township government, financial office, credit cooperative, and so on. Not a single cent was put into the pocket of the masses. More than 65 cadres in 9 townships of Xingren County embezzled loans in a sum of about 60,000 yuan earmarked for helping the poor.

In view of the above-mentioned serious problems, Vice Premier of the State Council Tian Jiyun explicitly stated: "Those who are guilty of corruption, dividing the spoils, and the embezzlement of money earmarked for helping the poor must be seriously punished, and their crimes must not be tolerated." However, in a number of localities, these criminals were only punished lightly. For example, disciplinary action and warnings were only given to director of the civil administration bureau of

Daan city in Jilin Province Wang Xuezheng who was guilty of selling 38,000 jin of relief grain coupons. He has still retained his post as director of the civil administration bureau.

Tibet Parliament-in-Exile Wants Dalai To Remain
HK1105055989 Hong Kong HONGKONG STANDARD in English 11 May 89 p 8

[By Fan Cheuk-wan]

[Text] The majority of Tibet's parliament-in-exile are strongly opposed to the Dalai Lama's request to step down from his role as political leader, a senior member said yesterday.

Mr Tashi Wangdi, Foreign Minister of the government-in-exile, said Tibetans wanted the Dalai Lama—also Tibet's spiritual leader—to stay on.

"Tibetan people were shocked to learn of the Dalai Lama's proposal because they want him to be their leader," he said.

"It sounds incredible to Tibetans because they have been so loyal to the leadership of the Dalai Lama."

Mr Tashi Wangdi is one of 341 delegates from 198 Tibetan exile settlements attending a gathering of parliament in Dharamasala, India.

In an address to the parliament on Friday, the Dalai Lama, 54, proposed constitutional changes to allow the election of a prime minister and other officials, down to the level of exile settlements around the world.

The spiritual leader proposed stepping down from his political role to broaden the democratic process for his people.

Mr Tashi Wangdi said parliament would vote on the proposal by the end of this week.

"I believe the Dalai Lama will stay in the government if the parliament votes against his proposal to step down," he said.

Mr N C Gyasto, chairman of the parliament-in-exile, said the proposal had overwhelmed his followers.

"It will profoundly change the institution of the Dalai Lama as it has been known for centuries. That's why the parliament was shocked," Mr Gyasto said.

He predicted it would be rejected.

"It is the Dalai Lama's right to make suggestions and our right to express opinions," he said.

Mr Lodi Gyari, the Information and International Relations Minister, said he feared the proposal would weaken the exiles' position in proposed talks with Beijing on the future of Tibet.

"If we take the Dalai Lama out of the picture, it will dilute the legitimacy of our position."

But Mr Tashi Wangdi said the Dalai Lama did not take the Beijing talks into consideration when he suggested the proposal.

"We can't predict the reaction of the Chinese Government. But the final resolution of the parliament on the Dalai Lama's proposal hasn't come out yet," he said.

The session began last Wednesday and was scheduled to end on Tuesday, but the unexpected proposal led to it being extended to the end of the week.

Mr Tashi Wangdi said the spiritual leader had discussed his proposal with the Cabinet before he announced it on Friday.

The Dalai Lama was given full political authority under the Tibetans' 1963 Constitution when he was 18.

Deng Xiaoping, Zhao Ziyang Send Wreaths
OW1005182589 Beijing Domestic Service
in Mandarin 2130 GMT 5 May 89

[From the "News and Press Review" program]

[Text] Comrade Lai Yi, former deputy political commissar of the Nanjing Military Region and a fine leader in political work in the military, died of illness on 26 April in Nanjing. Some 500 people in Nanjing, with deep grief, paid last respects to Comrade Lai Yi on the afternoon of 5 May. Party and state leaders including Zhao Ziyang, Deng Xiaoping, Yang Shangkun, Li Peng, and Li Xian-nian sent wreaths.

Military

TA KUNG PAO on Nuclear Submarine Base

Part One

HK1005105189 Hong Kong TA KUNG PAO in Chinese
7 May 89 p 1

[Two-part article by Chung Ti (6945 6970): "Visit to China's Nuclear Submarine Unit"]

[Text] The Chinese Navy has a unit whose designation is "09." Well-informed people know that this is the mysterious nuclear submarine unit. On 1 January 1987, XINHUA NEWS AGENCY for the first time openly reported on a record-creating long-distance underwater voyage and the ocean-going training of this nuclear submarine unit. On 28 September 1988, the Chinese official mass media once again openly announced that

the Chinese Navy had successfully launched a carrier rocket from a nuclear submarine, and published a photograph of the rocket soaring from the water. This aroused great interest among foreign military experts.

Recently, this reporter was allowed to visit the nuclear submarine unit of the Chinese Navy, and became the first fortunate journalist to have the opportunity to cover the naval base for the nuclear submarine fleet.

Representative of the Country's Deterrent Strength

The military car sped along a meandering mountain road. There were very few civilian houses and pedestrians by the roadside. After several hours' driving, the car turned onto an asphalt road leading to the seashore. At the side of the road was a white rectangular board bearing several eye-catching black characters: "Special Military Restricted Zone." Commander Feng, the naval officer accompanying this reporter, straightened his uniform and said softly that we would soon arrive at the nuclear submarine base.

From the car window, this reporter saw a watchtower and two armed sentries. One of them raised a red flag, a signal that the car should stop for inspection. Commander Feng handed his special pass to the guards, and the guards also carefully inspected the identity certificates of everyone in the car. Then, they raised the green flag and let the car pass. This showed that the base was heavily guarded.

Rear Admiral Yang is the commander of the nuclear submarine unit of the Chinese Navy, and he was the first nuclear submarine captain of new China. That day, he was dressed in a trim blue woollen uniform, glowing with health and speaking in a sonorous voice. He is of medium stature and has the bearing of a naval officer. This reporter first asked him to talk about why the Chinese Navy needs to develop such a nuclear submarine unit.

"The navy of an oceanic country is a strategic branch of its armed forces, and the possession of maritime nuclear strength represents the navy's strength as a strategic military force," Rear Admiral Yang said. "Nuclear submarines have many strong points. For example, they can navigate continuously over very long distances, their range of activity is broad, they can hide themselves perfectly in deep water, they are highly mobile and navigate at a high speed. In a future war against aggression, a nuclear submarine can act as a mobile and concealed missile base and can make an effective retaliatory strike against the enemy. Nuclear submarines provide our country with a reliable means of secondary strikes."

Then, Rear Admiral Yang told this reporter: "Along with the development of contemporary science and technology, a large number of reconnaissance satellites have been launched and will be launched continually. This, plus the use of other means of reconnaissance, means

that fixed missile silos in land bases and large-scale missile-carrying vehicle companies will all be easily discovered and monitored. Some foreign military experts predict that by the end of this century, all land-based strategic nuclear weapons will be exposed to the spies of rival countries. In these circumstances, maritime nuclear forces will become more important and will display a much higher survival capacity. As nuclear submarines navigate beneath the surface, it is very hard to trace their whereabouts. They cause great problems for the enemy's strategic defense. Therefore, some developed countries have spent huge amounts of money on building nuclear submarines and have given priority to the development of this strategic force, because nuclear submarines indeed represent a major part of a country's deterrent strength. Our country is pursuing an independent foreign policy of peace. However, as hegemonism and power politics still exist in the contemporary world, in order to effectively safeguard our national security and maintain peace, we must also possess our own maritime nuclear force. Only thus can we more effectively achieve psychological results in preventing the outbreak of a nuclear war.

This reporter then asked another question: "A short time ago, a nuclear submarine of the Soviet Navy sank near Norway, and this accident also caused some casualties. How safe are the Chinese nuclear submarines in active service?"

"I think that the technical properties of the nuclear submarines designed and built by our country are completely reliable and can guarantee safety," Rear Admiral Yang said with great confidence.

Then he told this reporter: Since the first nuclear submarine made by China was launched in the early 1970's, it has operated safely for nearly 20 years. From late 1985 to early 1986, a Chinese nuclear submarine carried out the biggest test of self-supporting capacity. The submarine safely navigated the long distance of more than 20,000 nautical miles, and broke the 84-day record of continuous underwater navigation set by an American submarine. This demonstrated the high mobility, adaptability, and concealment capacity of Chinese nuclear submarines, and proved the good and reliable properties of their power mechanisms. It created a miracle in the annals of the Chinese Navy and submarine fleet. In the spring of 1988, a Chinese nuclear submarine navigated the Taiwan Strait into the South China Sea to carry out a successful test voyage at extreme depths. Submarines have also successfully carried out tests of full-speed underwater movement and deep-water mine clearing operations. All these tests show that Chinese nuclear submarines completely meet the requirements for concealment, surprise attack, long-distance navigation, navigation at great depth, and carrying out combat tasks over long distances.

"As the crew work in the nuclear submarines all year round, will their health be harmed?"

Rear Admiral Yang smiled on hearing this question and said: "We cannot say that the working conditions in the submarines do not influence the crew's health, but their health will not be harmed." He added: "As everyone knows, the radioactivity produced during nuclear fission may seriously harm people's health, because it can damage large numbers of leukocytes. However, the reactor system in a nuclear submarine is a hermetically sealed system, which is enveloped in thick protective shields, so the radioactive materials can be completely controlled within a safe area. In order to guarantee the health of the crew in nuclear submarines, apart from adopting necessary protective technical measures, the state also offers special allowances to the crew.

Rear Admiral Yang took a sip of tea and continued: "At present, many people in society turn pale at the mention of nuclear power, because they do not understand the actual operation of nuclear devices. In fact, the crew's living conditions in a nuclear submarine are much better than those in a conventional submarine." Then the admiral said, wittily: "You see, I've worked in nuclear submarines for nearly 20 years, but all the parts of my body are still perfect and I do not need an 'overhaul' yet. Does this also indicate something?"

Attracting Attention From Foreign Navies

When talking about nuclear submarines, Rear Admiral Yang was excited, as if enumerating his family valuables. He told this reporter that Mao Zedong, Zhou Enlai, Zhu De, Deng Xiaoping, Nie Rongzhen, and other proletarian revolutionaries of the older generation, as well as current party and government leaders Zhao Ziyang, Li Peng, and Yang Shangkun, have all shown great concern for and attached great importance to the development of the nuclear submarine unit. Last August, Premier Li Peng visited with great interest the nuclear submarine which was to carry out the test rocket launch. He saw every cabin in the submarine and asked the crew about their work and health. He gladly wrote a few words to encourage the Chinese Navy's nuclear submarine unit: "Strengthen the maritime deterrent force; bring benefit to the country and the people."

Part Two

HK1005105589 Hong Kong TA KUNG PAO in Chinese
8 May 89 p 2

[Text] China completely relied on her own strength in developing and building the nuclear submarine force, and China has become the fifth country in the world to have a nuclear submarine force following the Soviet Union, the United States, Britain, and France. This has attracted worldwide attention and has also attracted attention from foreign naval officers. General Yang said that [Hyman] Rickover, the "father of nuclear submarines" in the United States, and naval leaders from more than 10 countries, including the United States, Britain, and France, have visited the attack nuclear submarines of the Chinese Navy. An admiral from a Third World

country gave the thumbs-up sign to praise the Chinese Navy's achievements when he was told that the tens of thousands of parts in a nuclear submarine were all made in China.

The Labyrinths of Science

As the saying goes, "It is better to see once than hear a hundred times." This reporter was allowed to board a missile nuclear submarine during the visit to the naval unit.

Accompanied by Lieutenant Hu, a staff officer of the nuclear submarine unit, this reporter came to a bay surrounded on three sides by hills. Several submarines were berthed alongside the dock. They had long bodies, round heads, and erect tail portions, and looked like huge whales.

Through a round hole, this reporter entered the cabins of a submarine, and it felt like entering a labyrinth. I saw numerous meters, instruments, lights, valve handles, and switches in the cabins, and they were just dazzling. Lieutenant Hu said that the nuclear submarine epitomized the high technological and industrial level of our country. The main part of the submarine was made through the coordination of more than 2,000 factories in more than 20 provinces and municipalities. The submarines are equipped with several thousand pieces of equipment of all kinds, and tens of thousands of instruments, meters, signal lights, valves, and switches are installed in them. The electric power generated by a submarine could satisfy the needs of a medium-sized city. If the pipes and cables in a submarine were laid end to end, they could be wound round the earth several times.

In the missile cabin, there were rows of wide missile tubes, large computers, and missile control panels. Lieutenant Hu pointed at a little red button on the control panel and said: Last September, we launched a carrier rocker from this submarine, and the chief operator controlled the whole launch process by pressing this button. This reporter could not help but also touch the button lightly. During the visit to the submarine, this reporter perceived a strange scene: In some cabins, sailors wore heavy coats; but in others, they wore shorts and T-shirts. Lieutenant Hu explained: The sophisticated equipment in the submarine requires different temperatures, so one may experience the four seasons between bow and stern.

Nuclear submarine technology is very complicated and involves more than 10 branches of professional knowledge in navigation, missiles, and computers. During the visit, this reporter was told that the crew all received professional training in various schools. All officers are degree holders, and many of them graduated from such famous universities as Qinghua and Beijing Polytechnic. The educational level of the submarine crew is the highest among all the combat forces of the military services.

Hardships in the Underwater Life

Submarines sail for long periods beneath the surface. The submarine crew cannot see the sunlight, cannot hear the birds' singing, and cannot smell the flowers' fragrance. They even cannot distinguish day from night. The air they inhale is not natural air but man-made. The hardship in the crew's life is beyond ordinary people's imagination.

A sailor told this reporter that in the first days after he boarded the submarine, he was not used to the roaring of the machines and could not fall asleep for days. The new sailors had their own methods of coping with this problem. Some counted with the rhythm of the machines in order to get to sleep quickly. Some even recited doggerel with the rhythm of the machines, and their "lullabies" were rather effective. He even advised this reporter to try it. His serious manner in saying this made it hard to doubt him.

However, another sailor said that his lullabies were the songs from a cassette recorder. His girlfriend taught music at a school, and often mailed him some music tapes. She recorded the songs he liked to listen to, and personally sang these songs. The music tapes also carried her love and encouragement. So when he was off duty and lying in his berth, he often wore headphones and listened to the songs. His girlfriend's songs and talk would send him into his dreams. He said that it was very romantic and very poetic to listen to the sounds of a lover when sailing the ocean.

Lieutenant Hu told this reporter that as a submarine usually sails for dozens of days on each voyage, the crew are completely separated from humanity and their lives cannot be as colorful as were they living in cities or in land bases. So the crew members organize various recreational activities in light of the conditions in the submarine to amuse themselves. For example, the broadcast station in the submarine broadcasts weekend music programs according to the preferences of the sailors. The crew also often organizes small-scale sports contests in the cabins. They publish a daily newspaper, for which all members of the crew are reporters, and everyone can become a newsmaker.

After the visit to the nuclear submarine, it was sunset. The light of the setting sun painted the submarine hulls an orange color, and they looked magnificent. In the mind of this reporter, there was a reverie: The steel whales, epitomizing all kinds of modern technology, are like golden shields and sharp swords. They are the guardians of the tranquillity of the People's Republic.

Editorial Stresses Importance of Military Training
HK1205024089 Beijing JIEFANGJUN BAO in Chinese
3 May 89 p 1

[Editorial: "Successfully Grasp This Core—Military Training"]

[Text] In making arrangements for this year's work, the Central Military Commission stressed that we must firmly and unswervingly treat military training as the

core of PLA [People's Liberation Army] work. This directive from the Military Commission has once again made clear the role of military training after a strategic shift in our Army's guiding thought for construction. It has defined the relations between military training and other work. This is of great guiding significance in strengthening Army buildup in times of peace.

In the past few years, Army unit military training work has shown some progress. But the problem of its not being firmly carried out is still rather obvious. All comrades of the Army, especially leading cadres at various levels, must deeply understand and carry out this directive from the Military Commission. They must seriously try to make military training the core of Army unit work, realistically strengthen training, and further improve our Army's fighting capacity under modern conditions.

Treating military training as the core of Army unit work is in line with the objective law of building up the Army in times of peace. Consolidating national defenses, resisting aggression, and safeguarding national security and territorial integrity—these are our Army's fundamental functions in peaceful times. Military training is an important guarantee for carrying out these functions. Given the absence of war, military training is a basic way to improve Army combat power. Strict military training can guarantee the transformation of such key elements as weapons, equipment and other things into combat power. It can also make for the inspection and improvement of the organizational system to meet future war needs, thus allowing various key elements constituting fighting power to be organically combined. In times of peace, Army units must especially strengthen the power of concentration. There is the need for strict military training and firm political work. This is an important measure to boost morale and cope with laxity. History and reality tell us that taking military training as the core of Army unit work is not an expedient. Instead, it is dictated by the objective law of building up the Army in times of peace. At any time, we must observe this law.

We must put military training on a solid basis as a core of Army unit work. A very important thing is to overcome the idea of "soldier drilling serving no purpose" in times of peace and to strengthen the sense of responsibility about training and increase enthusiasm for soldier drilling. In the past few years, given a trend toward detente in the international situation, the development of the socialist commodity economy in our country, and a strategic change in the guiding thought for our Army's buildup, some comrades have become confused about the position and role of military training. There is a misinterpretation of our Army's fundamental functions in times of peace. We know that as long as the Army exists, it must, through training, raise the Army unit's level of war preparedness and combat power. We must step up soldier drilling in times of peace. This is, on the one hand, to realistically make proper preparations to cope with unexpected events and local wars. On the

other hand, the combat power of the Army is in itself an important factor to retain a deterrent and maintain peace. We say that a major war would not start in a given period of time. But the danger of war has still not been thoroughly eliminated. Therefore, we must firmly foster the idea of our Army being forever a fighting force ready at all times to fight. There should be no confusion about this at any time.

By stressing military training as the core, we do not in any way mean that other work is not important. The combat power of the Army is made up of various factors, including military and political quality, weapons and equipment, the organizational system, strategy and tactics, rear-service protection, and so forth. The improvement of Army combat power is a long-term and cumulative process, which cannot be interrupted. This requires leaders and organs at various levels to persist in taking combat power as the criterion in making overall arrangements for Army units' various tasks, sorting out internal relations and solving various contradictions. Given the guarantee of military training as the core, we must bring about the coordinated development of various other tasks. If we lay no emphasis on combat power, with people stressing their respective "criteria," with no distinction between the important and the less important and with everyone going his own way, Army unit work would be in a shambles. Army unit combat power would suffer.

Given no threat of a major war and inadequate material conditions, the proper handling of such central work as military training calls for not only a fine external environment but also a perfect internal mechanism. Otherwise, military training still cannot overcome the phenomenon of "alternating between a spell of enthusiasm and a spell of indifference." Therefore, we must make efforts, and transform the necessary principle of taking training as the center into various criteria and measures in concrete form, which are visible, tangible, and practicable. We must especially establish and perfect rules and regulations for military training, covering responsibility, systems, insurance, supervision, effectiveness for a given period of time, and reward and punishment measures. We must guarantee that Army units carry out training on the basis of the main program and control training on the basis of law, in order to realize a situation marked by a benign cycle in military training.

To enable military training to really become the center of Army unit work, we have still many problems to solve. We must work in a down-to-earth manner and conscientiously solve existing problems. Given concerted efforts by the entire Army at all levels, such central work as military training can surely show new development. Our Army's combat power will also surely be raised to a new level.

RENMIN RIBAO Article on Lei Feng Spirit
HK1205022289 Beijing RENMIN RIBAO in Chinese
5 May 89 p 5

[Article by Wang Chaohai (3769 6389 3189) of the Political Department of the Xinjiang Military District: "On the 'Lei Feng Spirit'"]

[Text] The social effect produced by the activities of learning from Lei Feng arising in the 1960's is the deepest and widest of those produced by all the activities

of learning from innumerable heroes after the founding of the country. Subsequently, people sighed with regret: "Uncle Lei Feng has disappeared."

Why could the burning mark of the Lei Feng spirit be impressed so deeply in the hearts of our countrymen in the past and why can the Lei Feng spirit not become the order of the day now? Having various questions, people cannot but think it over profoundly: What are the substance and quintessence of the Lei Feng spirit?

From the deeds of Lei Feng, as a typical individual, much valuable spirit can be directly perceived and derived through the senses. However, the substance and quintessence of the Lei Feng spirit, as the spirit of social formation, should not, I think, be "cut out" with the "political scissors" as one pleases. In the past, we had problems because of this. In the upsurge in studying "Mao's works," Lei Feng was an example; in grasping the "class struggle," Lei Feng was a typical example; in laying emphasis on learning technology, Lei Feng's deeds became the focal point of propaganda. Now, people also say that Lei Feng, too, wore trousers made of "woollen cloth" and say that Lei Feng also had a love affair....

It is really strange! How can a spiritual monument of social progress become a "seven-piece puzzle" and "plasticine" that can be molded by anybody and can be used by me!

How can the substance and quintessence of the Lei Feng spirit be grasped? This depends on the result of the test of social practice. The inscriptions of the great men surely operate from a strategically advantageous position, theoreticians' expositions are surely profound and incisive, but the unit to which Lei Feng belonged during his lifetime surely understands the actual situation; yet all this cannot serve as a surveyor's rod for determining the substance and quintessence of the Lei Feng spirit. What can shoulder this heavy duty is only the social practice of thousands upon thousands of people.

This question can be readily solved by listening to the people's voice and appraisal. Some people are ready to take up the cudgels for a just cause and people call them "living Lei Feng"; some people find it a pleasure to help others and people call them "living Lei Feng"; some people do not pocket the money they pick up and people call them "living Lei Feng"; some people respect the elderly and cherish the young and so on. Whatever they may say, the masses have a steelyard in their hearts. The "balancing mechanism" of the steelyard is accurate toward the intension and extension of the Lei Feng spirit.

Whatever the political, economic, and cultural development of society, the more concern, help, and fraternal love among people the better. Only by judging in this way can the Lei Feng spirit not be outmoded.

State Helps Demobilized Officers Find Jobs
HK0805084589 Beijing CHINA DAILY in English
8 May 89 p 3

[By staff reporter Zhang Lin]

[Text] The Chinese Government is working out programmes for the placement of more than 40,000 demobilized army officers this year.

Top priority will be given to officers at the regimental commander level and above with long service terms.

There are more than 7,000 such officers at the regimental or division levels who are waiting to be transferred to civilian employment this year.

This was disclosed at a national working conference on arrangements for this year's demobilized officers held last weekend in Nanjing.

At the conference, Minister of Personnel Zhao Dongwan asked for co-operation from various departments in finding jobs for the officers and helping them settle into civilian life.

Although government agencies at all levels are streamlining their structures and reducing staff members as part of the current reform, they should do a good job of helping demobilized military personnel settle in, he said.

According to regulations, demobilized officers should be given jobs equivalent to their former ones.

However, the tradition of guaranteed jobs for retired officers in State-owned institutions and enterprises has run into problems.

With industrial reform, resettlement of army officers is becoming more difficult because some employers who have been granted greater decision-making power refuse to accept assigned ex-servicemen despite the State quota.

It was disclosed at the conference that arrangements are being made to have as many demobilized officers as possible this year go to work in banking, taxation, legislation and auditing offices as well as in some newly established or expanded work units and key projects.

Good military conduct records and merit citations will be given greater weight this year in selecting veterans for jobs.

Those who have been serving long terms along borders, on islands or in submarines will enjoy a certain freedom in choosing the jobs and cities they prefer, according to an official with the Ministry of Personnel.

In principle, demobilized officers are required to return to the places where they were recruited.

Economic & Agricultural

Yuan Mu Briefs Press on Economic Development

OW1205111889 Beijing Domestic Service
in Mandarin 0930 GMT 12 May 89

[By station reporter Li Gehua, from the "National Hookup" program]

[Text] State Council spokesman Yuan Mu held a news conference in Beijing today to brief Chinese and foreign reporters about the Chinese economic development in the first 4 months of this year.

Yuan Mu said: Since the beginning of this year, the economic situation has taken a turn for the better, thanks to the continued implementation of the central authorities' principles of improving the economic environment, rectifying the economic order, and strengthening the reform in all localities and departments. The improving economic situation is manifested mainly in the smooth completion of spring farming work and the summer grain crops that are growing promisingly. According to the estimates of the Ministry of Agriculture, as long as the crops are not affected by significant natural disasters, summer grain output will increase by nearly 5 billion kg, and is expected to break the record of 93.2 billion kg set in 1986.

Industrial production dropped after an excessively high growth rate in the past, without causing a general production decline or stagflation, which the people had worried about. The nationwide monetary situation was better than anticipated, showing a preliminary sign of relaxation. As of the end of April, nearly 7.4 billion yuan had been withdrawn from circulation, and the remaining sum of the savings deposits by urban and rural residents was 421 billion yuan, 40.9 billion yuan more than in early 1988. The trend of rising prices was gradually weakened. There was a relatively stable flow of the sales of commodities in the markets. The panic buying of certain single-item commodities prevailing in a few localities last February was calmed.

However, Yuan Mu emphatically pointed out: There should be no optimism regarding the current economic situation at home, and much remains to be done to achieve the goal of improvement and rectification.

He said: The contradiction of the total demand of society outstripping the supply was not mitigated, and some structural contradictions were aggravated. Exports, in particular, have been unsatisfactory this year. According to statistics of the customs offices, exports amounted to only U.S.\$9.7 billion in the first 3 months of this year, a drop of 15 percentage points over the growth rate of the same period last year.

Total fixed assets investment from January through April amounted to U.S.\$30.5 billion. Though lower than the figure for the corresponding period of last year, it still

fell short of the requirement set in the state plan. In the first 4 months of this year, the price index rose by 27 percent over the same period of last year. Although it is falling month after month, this is far from meeting the requirement set by the central authorities, which calls for effort to keep the amount of price hikes this year considerably lower than that of last year.

Touching on the current question of unfair distribution of income, Yuan Mu said: Recently, (Mao Amin) went to a tax office to make compensation for the taxes he owed the office. This incident shows that our taxation system is imperfect. Henceforth, we shall strengthen tax collection and management, especially the collection of individual income regulatory tax, to deal a blow at illegal business operations and to put an end to tax evasion.

Although Yuan Mu had stated before the beginning of the news conference that the news conference was held mainly to report on economic questions at home, Chinese and foreign reporters still asked sensitive questions in connection with the Beijing journalists' joint letter demanding a dialogue and the current student strikes.

Yuan Mu responded by saying that according to his understanding, a dialogue with the journalist circles is under way. As for the question of student strikes, he expressed belief that the masses of students will proceed from the general interest of safeguarding political and social stability. Moreover, he predicted that China's domestic affairs will be properly settled through normal and rational means.

Target in Curbing Fixed Assets Not Reached

OW1205125989 Beijing Domestic Service
in Mandarin 2130 GMT 6 May 89

[Text] According to XINHUA, during the first quarter, there was a big gap between the actual investment in fixed assets nationwide and the target set by the State Council for curbing such investment. A screening and inspection group of fixed assets investment under the State Council will again visit the localities to supervise and speed up the work of curbing investment.

A leading comrade of the State Council points out: The situation of screening work is not very optimistic. The inspection group should earnestly investigate and find out the causes and take effective measures to strictly control the investment scale within the target.

According to statistics, during the first quarter, 18.4 billion yuan was spent on state-owned capital construction and technical innovation projects in the 29 provinces, autonomous regions, and municipalities across the nation, a drop of 624 million yuan, or 3.28 percent, from the actual investment in the same period last year. This is 20 percent lower than the target of 23.93 percent set by the State Council. Among the 29, Gansu, Ningxia, and Hubei did relatively better in curbing investment. On the other hand, investment in Guangdong, Qinghai,

Shaanxi, Shanghai, Beijing, Hebei, and six other provinces and municipalities increased in varying degrees over the same period last year.

Bank of China To Clear Up Enterprise Debt Chain
OW1105040789 Beijing Domestic Service
in Mandarin 2130 GMT 2 May 89

[Text] According to a XINHUA report, the People's Bank of China, with the approval of the State Council, decided to clear up the debt chain among enterprises in an organized manner with the help of the Industrial and Commercial Bank of China, the Agricultural Bank of China, the People's Construction Bank of China, the Bank of China, and the Communications Bank of China, beginning this May. Currently, debts industrial and commercial establishments owe each other is becoming larger and larger with each passing day. Such a debt chain is seriously hampering production.

A responsible person of the General Office of the People's Bank of China said yesterday: In clearing up the debt chain on a large scale, we must sum up our past experiences in collecting overdue loan payments in various localities, and help those key enterprises fully implementing the industrial policies laid down by the central authorities and obtaining good economic results pay back their loans. However, we must also realize that the amount of money which enterprises owe each other is sometimes a form of credit, which is needed in carrying out normal business operations. It is really not a debt chain. The banks should not give more loans to those enterprises actually deep in debt, although they show profits on their books because of the curtailment of capital construction projects by the state, or to enterprises having a large amount of overstocked products. The responsible person emphatically pointed out: We must clear up this debt chain under the leadership of the People's Bank of China. It is necessary to carry out financial reform by clearing up the debt chain and vigorously promote the system of making business transactions with negotiable instruments and credits. All specialized banks should help cash promissory notes from various enterprises with a discount. The central bank will also help cash promissory notes with a discount on a selective basis. The responsible person also said: All specialized banks must ensure that all channels for the final settlement of accounts are open and that all money remittances are handled promptly to maintain bank credibility and the financial order.

Industrial Output Increase for April Reported
HK1205082389 Beijing ZHONGGUO XINWEN SHE
in Chinese 0818 GMT 8 May 89

["In April China's Industrial Production Increased Steadily"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 8 May (ZHONGGUO XINWEN SHE)—This April, China's industrial production registered a steady growth. The total industrial output value increased by 13.7 percent compared with the same month last year.

According to the latest statistics from the State Statistical Bureau, the entire country realized a total industrial output value of 113.6 billion yuan in April, of which the output value of heavy industry was 55.7 billion yuan, while that of light industry was 57.9 billion yuan.

The accumulated gross industrial output value of the whole country from January to April was 406 billion yuan, representing an increase of 11.3 percent compared with the same period last year, of which light industry increased by 12 percent and heavy industry by 10.7 percent.

The gross energy output value of the entire country in April experienced the most rapid growth since the beginning of this year. Raw coal increased by 9 percent, and the energy generated increased by 7.3 percent. Also, crude oil, natural gas, and other materials reversed the falling trend in the past few months and showed growth compared with the same month last year. The production of energy has improved. This provides conditions for production in the entire industrial sector, especially the basic material industry. In April, the production of steel, steel products, ferroalloy, 10 types of nonferrous metals, chemical raw materials, and chemical fertilizer improved. Some of them reversed the falling trend, while others increased the amount of growth.

In April, the output of textile products such as cloth and silk increased, and the falling trend at the beginning of the year was reversed. Sugar, crude salt, beer, canes and synthetic detergent increased by 13.6 to 43.4 percent, while high-grade household consumption products continued to experience more rapid growth. For example, the output of color television sets increased by 43.2 percent, and domestic-use refrigerators increased by 42.2 percent.

Judging from the situation of industrial output in April, though the output of the energy industry and basic material industry showed some improvement, their growth speeds did not correspond with that of the entire industrial sector. In the light and textile industries, ordinary industrial products for daily use usually grow slowly, which is contradictory to the market demand.

Coal Capital Construction Investment To Increase
OW1005163789 Beijing Domestic Service
in Mandarin 0200 GMT 5 May 89

[Text] According to JINGJI CANKAO BAO, a reporter has learned from the national conference on fuel that, starting this year, China will increase capital construction investment in coal. This year China will, in addition to the figure decided at the order placement meeting, increase coal output by 10 million metric tons to supply the four major power grids in north, northeast, east, and central China. To ensure that annual coal output will reach 1.4 billion metric tons by the end of the century, the state will invest 150 billion yuan in the coal industry

in the next 12 years. The state also plans to collect coal construction funds from users and raise the rates of the existing energy and transportation funds.

China To Build Six Major Railway Passageways
HK1105064389 Beijing ZHONGGUO XINWEN SHE
in Chinese 0400 GMT 5 May 89

[Dispatch from reporter Zhu Daqiang (2612 1129 1730):
"China Will Concentrate Its Efforts on Building Six
Major Railway Passageways"—ZHONGGUO XIN-
WEN SHE headline]

[Text] Beijing, 5 May (ZHONGGUO XINWEN SHE)—
This reporter has learned from the Ministry of Railways
today that in the coming period, China will concentrate
its efforts on building six major passageways—a passage-
way for transporting coal out of Shanxi Province, a
north-south passageway, a passageway in eastern China,
a northeast passageway, a southwest passageway, and a
northwest passageway—to form the main skeleton of the
railroad transport arteries of China.

The building of these six major passageways was deter-
mined while the Ministry of Railways was formulating
the blueprint for railroad transport in the "Eighth 5-Year
Plan" and "Ninth 5-Year Plan." The six major passage-
ways are specifically:

- The passageway for transporting coal out of Shanxi
Province. At present, a large number of provinces
throughout the country (including Inner Mongolia,
Ningxia, and Shenmu of Shaanxi) are relying to a
greater extent on Shanxi for coal. The first phase of the
Datong-Qinhuangdao railroad has already produced
benefits. In the future, the second phase of the project,
the Shenmu-Shuoxian railroad, the Jining-Tongliao
railroad, and the Houma-Yueshan railroad will be
continue being built.
- The north-south passageway. Freight volume has
increased by a wide margin since the implementation
of the coastal economic development strategy. As
transport is very heavy on the railroads from Beijing
to Guangzhou in Guangdong Province, from Tianjin
to Pukou in Jiangsu Province, and from Jiaozuo in
Henan Province to Zhicheng of Yidu County in Hubei
Province, the addition of a Beijing-Jiulong railroad to
north-south transport is being contemplated.
- The passageway in eastern China. Railroads in eastern
China have now entered a period of all-around con-
struction. The construction of the railroad from
Shanghai to Hangzhou in Zhejiang Province and of
the Qiantangjiang railroad bridge is expected to be
completed in 1990. The double-track railroad from
Hangzhou in Zhejiang Province to Zhuzhou in Hunan
Province via Shangrao, Yingtan, and Pingxiang in
Jiangxi Province, and the double-track railroad of the
Xuzhou-Lianyungang section of the railroad from
Lianyungang in Jiangsu Province to Lanzhou in
Gansu Province will be completed in the "Eighth

5-Year Plan." After the completion of the Yingtan-
Xiamen electric railroad, Fujian will also build a
second outward-bound railroad.

- The passageway to and from Shanhaiguan and in
northeast China. The Shenyang-Shanhaiguan railroad
is now the main passageway to and from Shanhaiguan,
and another railroad from Qinhuangdao to Shenyang
will be built to carry the additional freight volume. At
the same time, the Harbin-Dalian railroad will be
gradually rebuilt into an electric railroad.
- The passageway to and from Sichuan and in southwest
China. The southwest passageway includes the rail-
road to and from Sichuan and the railroad for trans-
porting phosphorus and coal from Yunnan and
Guizhou. The railroad capacity of the railroads from
Baoji in Shaanxi Province to Chengdu in Sichuan
Province and from Xiangfan in Hubei Province to
Chongqing in Sichuan Province via Ankang in
Shaanxi Province has reached saturation point and a
Xian-Ankang railroad and a Nanning-Kunming rail-
road will be built to transport phosphorus ore and coal
from Yunnan and Guizhou.
- The northwest passageway. The northwest railroads
are now under all-around construction. What is spec-
tacular is the northern Xinjiang railroad that China is
building. This railroad will be completed and opened
to traffic in the 1990's, thus forming a "Eurasian
bridge." China is now making great efforts to rebuild
the Zhengzhou-Lanzhou, Lanzhou-Wuwei, and
Wuwei-Urumqi railroads into electric railroads. The
construction of the Baoji-Zhongwei railroad connect-
ing Shaanxi Province, Gansu Province, and Ningxia
Hui Autonomous Region has been started.

Officials of the Planning and Statistics Bureau of the
Ministry of Railways pointed out: The railroad compre-
hensive transport capacity is now running 30 percent
short, but passenger transport and freight volume increase
rapidly each year. Only by stepping up the construction of
these six big passageways can we meet the needs of the
national economy and social development.

Tian Jiyun Urges Bumper Summer Grain Crop
OW1105214789 Beijing Domestic Service
in Mandarin 0930 GMT 11 May 89

[From "National Hookup" program]

[Text] According to XINHUA, while studying agricul-
tural production in Hebei Province recently, Vice Pre-
mier Tian Jiyun stressed that in order to support eco-
nomic retrenchment and reform, all localities in the
country should work harder and take all possible mea-
sures to harvest a bumper summer grain crop this year.

Tian Jiyun pointed out: A bumper harvest of summer
grain has great significance. Having a bumper summer
grain harvest means having laid a good foundation for a
good agricultural harvest this year. It also means that we

have had good conditions for carrying out economic retrenchment, deepening reform, stabilizing the market, and ensuring social stability.

To ensure a bumper summer grain harvest this year under the current situation, Tian Jiyun cited the following requirements:

First, do a good job in combating drought. Drought is now quite serious in certain parts of northern China. These areas must intensify their work against drought so that spring sowing can be carried out in time and a bumper summer grain harvest can be ensured. The supply of electricity, diesel oil, and other production materials essential for combating drought must be ensured. During the antidrought period, authorities concerned should actively support agricultural production by making the necessary arrangements.

Second, take timely actions to prevent insect pests, which are seriously affecting some crops in some areas now. These areas must intensify their efforts to wipe out insect pests. But it is important that they have a sufficient supply of insecticides. Insecticide departments must not withhold supplies. Relevant regions must strictly follow the state's insecticide distribution arrangements, never withholding supplies for themselves but promptly delivering all insecticides to other areas according to plan. In this regard they must foster the spirit of considering the needs of the whole and supporting each other.

Third, all localities must do a meticulous job in collecting summer grain, making sure that each and every grain is delivered to the granary. Measures should be taken to prevent mildew so that it will not cause any damage after a bumper crop.

Fourth, early preparations should be made for the procurement of summer grain and other agricultural and sideline products. All quarters should coordinate their efforts in this area, making sure that there will be enough cash for purchasing. By no means should there be any more IOU's this time.

RENMIN RIBAO on Resolving Grain Problem
HK1205095189 Beijing RENMIN RIBAO in Chinese
8 May 89 p 6

[Article by Ding Shengjun (0002 5116 0193): "How To Overcome Difficulty in Grain"]

[Text] Why China has problems with grain supply and how to overcome them have become the focus of attention in all walks of life today. The issue was under review and discussion at a meeting of the National Society for the Study of Grain Economics not long ago.

The Grain Situation Is Severe, But Why?

A strong appeal from council members was that the grain situation is severe, and should not be taken lightly. Grain production has been in a stalemate, with rapid growth in consumption accompanied by a cutback in input, despite China's weak agricultural and grain foundation; a shrinkage in the area of farmland; and population expansion. Recent years have seen an annual population growth exceeding 15 million, and an average annual shrinkage of some 6 million mu in the area of farmland, along with an increase of between 10 and 15 billion kg in grain consumption. Gross grain output dropped by 13.31 billion kg in 1988 from 1984, while the population drastically increased by 61.39 million, and the volume of grain per capita dropped from 393.5 kg to 362 kg over the same period. Especially worthy of note is the drastic increase in grain consumption for fodder and wineries. Between 1980 and 1987, an increase of some 50 billion kg was used for fodder, and an increase of some 8 billion kg for wineries. China's main trouble is grain shortage, a solution to which can only be found in developing grain production. Grain production should be taken as the key, with the exception of those areas where forestry, herding, fishery and economic crops are concentrated. The view, "taking herding as the key," and converting people's diet to "one chiefly of meat" is one-sided. It is a deviation from China's national conditions, resulting in a cutback in grain production. In the near future and beyond, China must achieve the following: Adhering to agriculture and grain production as "the foundation," adhering to the principle of relying on China's own efforts in the main, adhering to "the double-track system" of grain, and grain rationing for the urban population, adhering to the pattern of regional balance of grain production and marketing, and adhering to appropriate consumption and practicing economy in consuming grain.

While It Is Wrong To Be "Optimistic," There Are Also No Grounds for "Pessimism"

The participants in the meeting have pointed out that in the pessimistic talks about the grain issue, some people have seen only the limitations and unfavorable aspects of China's natural resources, but neglected the potentials of natural resources and favorable factors in China's agriculture. China's resources of arable land have not been fully developed and exploited, with two-thirds of its farmland being low and medium yielding; of land in this category, the potentials for increasing output are great. Surveys and research have shown that resources in the "five wastes" (namely, waste land, slopes, hills, water surfaces, and beaches) to be developed in the near future and beyond account for a total area of some 3 billion mu, which is approximately 3.7 times, 8.2 times, 8.3 times, 6.8 times, and 4.9 times the territories of such West European countries as France, the FRG, the United Kingdom, Italy, and Sweden respectively. Much can be accomplished in further developing agriculture by exploiting natural resources that have been hitherto lying

untapped. Stepping up the progress of science and technology in agriculture and grain production will greatly improve the utilizing rate of natural resources, and bring us greater output with less input, by reducing the attrition rate of natural resources. We should also see that the exploitation of manpower in terms of several hundred millions is a tremendous force to push forward agricultural development. An increase of 20 or 30 billion kg of farm and sideline produce, including grain, cotton, meat, eggs and milk, will not present a problem.

Invigorating Circulation, Making the "Double-Track System" of Grain Complete and Perfect

Should grain circulation go back to state monopoly for purchase and marketing, or be steadily reformed? The participants have explicitly negated the former, but affirmed the latter. They pointed out that the control over grain purchase and marketing will not be completely relaxed over a fairly long period of time. Starting from the basic condition characterized by the long-term tendency of grain shortage, and the comparatively low

income of the urban and rural populations, and taking into consideration the interests of both the urban and rural areas, the adherence to and the completion and perfection of the "double-track system" of grain are indispensable in China in the near future and beyond: 1) The volume of state contracted purchase should be stabilized at 50 billion kg, with no increase generally, nor hasty cutback. 2) Contracted purchase may be changed into state contracted purchase, which is more appropriate. 3) Contracted purchase prices should be appropriately raised to increase the income of grain-producing peasants. 4) Establish development-type grain markets as well as standardized wholesale grain markets in addition to primary markets in an organized way. 5) Peasants are allowed to trade grain other the amount intended for contracted purchase in the free market. 6) A decree on grain trade, behavioral criteria and standards for grain control departments and operational enterprises, conditions for initiating grain wholesale markets and regulations for transactions, as well as the behavioral criteria and standards for the peasants in marketing grain, are to be formulated.

East Region

Jiangsu's Han Peixin Calls for Stability, Unity
OW0705182089 Nanjing XINHUA RIBAO in Chinese
28 Apr 89 p 1

[Text] On 27 April the Jiangsu Provincial CPC Committee held a meeting of responsible persons of all city and provincial organizations. On behalf of the provincial party committee Standing Committee, Han Peixin, secretary of the provincial party committee, made a speech on opposing disturbances, stabilizing the situation, and safeguarding the stable and united political situation so as to guarantee the smooth process of improving the economic environment, rectifying economic order, and carrying out deep reform. Chen Huanyou, Deng Hongxun, Sun Jiazheng, and Cao Hongming, provincial party secretaries, were present at the meeting.

Han Peixin pointed out that for the most part, funeral arrangements following Comrade Hu Yaobang's death were smooth and most of the masses were satisfied, thanks to the implementation of the party Central Committee's relevant guidelines, which led the masses to launch the mourning activities in various ways. However, some abnormal situations also appeared during the funeral activities. A very small number of people seized upon the funeral arrangements as a pretext and directed a spearhead at the party and the government. They named names to attack leading comrades of the party Central Committee, stirred up trouble, and created disturbances openly or behind the scenes. In a few places, party and government organizations were assaulted, and a small number of outlaws availed themselves of the opportunity to engage in beating, smashing, looting, and burning. A very small number of people with ulterior motives took advantage of the young students' deep grief over Comrade Hu Yaobang's death and spread rumors, resorted to demagoguery, set up illegal organizations, instigated a students' and teachers' strike, and established numerous ties in an attempt to create larger-scale disturbances.

This is a preplanned plot. Its purpose is to sap popular morale, disrupt the country as a whole, and sabotage the stable and united political situation, and its essence is to oppose the CPC's leadership and negate the socialist system. This is a serious political struggle we face. A serious chaotic situation will emerge if we are indulgent toward this plot, allow them to connive at their activities, and fail to adopt effective measures to solve this issue.

Some large- and small-character posters spearheaded against the party and the government also appeared on the campuses of a small number of institutes of higher learning in Jiangsu. Some people took to the street and delivered demagogic speeches. Signs of one or two people capitalizing on incidents to make trouble were also discovered.

The provincial party committee Standing Committee noted: In view of the current situation, we must take a clear-cut stand against disturbances, and treat safeguarding stability and unity; stabilizing the situation; and guaranteeing the wholehearted improvement of the economic environment, rectification of economic order, and in-depth reform as outstanding tasks to be grasped in the work ahead.

In his speech, Han Peixin called for party organizations at all levels in the province as a whole to organize cadres and masses to seriously study the RENMIN RIBAO editorial, "It Is Necessary To Take a Clear-Cut Stand Against Disturbances," and conduct education in opposing disturbances and safeguarding stability and unity. While studying the editorial, cadres and masses must integrate their study with current reality, have a deep understanding of the nature of the disturbances, fully understand the importance of stability and unity and the necessity of upholding the four cardinal principles, and learn a lesson from the bitter experience of the chaotic 10 Years. They must actively pitch in, take a clear-cut stand against all words and deeds that oppose the four cardinal principles and create disturbances, and safeguard the overall situation of stability and unity, reform, and opening to the outside, and promote the four modernizations.

Han Peixin said that faculty, students, and workers in all institutes of higher learning must clearly distinguish between right and wrong and take a clear-cut stand against disturbances. They must observe discipline and abide by law; maintain a normal sequence of work, campus activities, and day-to-day work; and safeguard political stability and unity. It is necessary to justly and forcefully refute remarks that oppose the CPC's leadership and the socialist system. It is necessary to resolutely eliminate large- and small-character posters spearheaded against the party and the government and attacking the party and state leaders. It is necessary to punish those who deliberately spread rumors, provoke incidents, violate laws, and commit crimes, according to the law. It is essential to resolutely ban illegal processions and demonstrations. Nobody is allowed to establish ties in plants, rural areas, or schools. No illegal organizations are permitted.

Han Peixin called on leading cadres at all levels in Jiangsu to develop the party's fine traditions, set an example, earnestly practice what they advocate, go deep among the masses, listen attentively to the masses' views, coordinate well and hold dialogues with the masses, and be ideologically prepared. Party committees and governments at all levels must strengthen democratic politics; promote ties with all democratic parties, mass organizations, and nonparty patriotic personages; mobilize people of all walks of life to safeguard stability and unity; actively establish systems for opening both procedures and results, as well as a system of supervision to fight corruption; continually expand the scope of government administrative work that can be brought into the open; make more government administrative

work known to the public; and eliminate corruption. Leading cadres at all levels must make efforts to improve work style and maintain close ties with the masses. It is necessary to lead the masses to wholeheartedly and conscientiously improve the economic environment, rectify economic order, carry out in-depth reform, and do a good job in all work.

Mao Zhiyong Speaks on Enterprise Improvement
OW1005014289 Nanchang Jiangxi Provincial Service
in Mandarin 1000 GMT 21 Apr 89

[Text] Mao Zhiyong, secretary of the Jiangxi Provincial CPC Committee, recently heard a work report by the provincial bureau for town and village enterprises. After hearing the report, Mao Zhiyong said that in the course of improving the economic environment and rectifying economic order, it is necessary to continue to adhere to the policy of actively and properly developing town and village enterprises. He gave explanations on how to further promote the development of town and village enterprises in an appropriate manner in the course of improving the economic environment and rectifying economic order.

Mao Zhiyong said: We have seen rapid development of town and village enterprises in recent years. Each year, the pace of development is faster than the previous year. We have achieved good results. However, on the current basis, we must greatly develop town and village enterprises further. We must ensure that there are abundant natural resources in Jiangxi and that there is still great potential for developing town and village enterprises. The facts have fully proved that the development of town and village enterprises is a necessary road in shifting the agricultural labor forces, activating the rural economy, promoting industrialization in the rural areas, and integrating the urban and rural economies. In order to increase the ratio of commercialization in agricultural production, raise the comprehensive results of agricultural production, and increase the income of peasants, we must, to a great extent, depend on the development of town and village enterprises. Currently and in the future, we must insure that town and village enterprises maintain a stable speed of development. Of course, we should pay greater attention to raising economic results in order that town and village enterprises can play an increasingly important role in invigorating the economy in this province.

Mao Zhiyong said: Currently, the important thing is to grasp good opportunities. In the current economic adjustment, we must take note of both difficulties and opportunities. We must grasp opportunities to actively and properly develop town and village enterprises.

Mao Zhiyong pointed out that in the course of improving the economic environment and rectifying economic order, it is necessary to pay attention to clearly defining policies, and protect and whip up the enthusiasm of cadres at the grass-roots level as well as peasants in

developing town and village enterprises. We must pay particular attention to drawing clear demarcation lines in our policies. For instance, we should draw a clear line between the operation of town and village enterprises, through various channels, and the practice of illegal purchase and resale for profits. We should draw a line between selling commodities at a higher price, due to the increase in raw material prices, and the wanton hiking of prices. We should draw a line between the normal business contacts and bribery, or using public funds for feasts. We should also draw a line between establishing normal work relations and seeking self-interest through abusing one's power.

Mao Zhiyong said that town and village enterprises must improve the structure of production and quality of products. We must lead town and village enterprises to a sound cycle of economic activities. Town and village enterprises should lay stress on developing processing industries by using locally available resources, in particular, processing industries with agricultural and agricultural sideline products as chief raw materials. We must adjust those enterprises consuming a lot of energy or having difficulties in obtaining raw materials whenever possible. As for the production of commodities for export, which can earn foreign exchange, and key and high-quality products, we should provide scientific and technological assistance in order to significantly raise economic results.

Mao Zhiyong emphatically pointed out: Town and village enterprises must develop in the course of deepening reform and improving management. In deepening the reform of town and village enterprises, we must further improve the contract responsibility system and promote the joint stock system. In setting up new town and village enterprises, we should implement a joint stock system whenever possible. Besides, concerning those enterprises which sustain prolonged losses, we must encourage other enterprises with good performances to merge with them, or transfer and sell them to other units. Mao Zhiyong said: In developing town and village enterprises, we must not only set up industrial, but actively set up agricultural, enterprises as well. In running agricultural enterprises, we must also attach importance to their comprehensive economic results.

Shanghai CPPCC Session Closes on 22 Apr
OW1005105789 Shanghai WEN HUI BAO in Chinese
23 Apr 89 p 1

[Text] The Second Session of the Seventh Shanghai Municipal Chinese People's Political Consultative Conference [CPPCC] Committee closed on the afternoon of 22 April.

The deputies attending the session cast their votes by a show of hands and elected Chen Haozhu, chairman of the Shanghai Municipal Committee of the Chinese Peasants' and Workers' Democratic Party, as another vice chairman of the municipal CPPCC Committee. The

session also endorsed a resolution of the Second Session of the Seventh Shanghai Municipal CPPCC Committee and the report on how motions had been handled at the session.

Jiang Zemin, secretary of the Shanghai Municipal CPC Committee, made a speech at the session. He said: This session has given full play to democracy and inspired revolutionary enthusiasm. This session is a complete success. The municipal party committee wishes to congratulate the session for its success. After the session, various departments must earnestly study and handle the motions and proposals made by the deputies. From now on, we must give full play to democracy, hear the views of the masses, and further strengthen the system of providing political consultations and democratic supervision.

He said: Right now, we are at the stage when the new economic order is replacing the old one. We are faced with the arduous task of improving the economic environment and rectifying the economic order. The maintenance of stability and unity is fundamental to the implementation of reforms and construction. This morning, all of us watched the live broadcast of the memorial service for Comrade Hu Yaobang. We must turn our grief into strength, mourn Comrade Hu Yaobang with our deeds, and cherish stability and unity in Shanghai. The guiding principle for this year's work in Shanghai is to stabilize the economy and society, deepen the reform, and pay full attention to ideological and political work. I hope that the municipal CPPCC Committee and various democratic parties and mass organizations will play an even greater role in maintaining stability and unity, promoting Shanghai's economy and construction, and developing spiritual civilization in the municipality.

Xie Xide, chairman of the municipal CPPCC Committee, made a closing speech. She said that from now on, the municipal CPPCC Committee must bring its overall role into full play, exploit its advantage as a pool for talented people; distinguish itself in helping maintain a clean and honest government combating corruption; broaden the channels of communication with the CPPCC members; and offer more proposals on how to develop spiritual civilization and education, improve the economy, rectify the economic order, and raise the production efficiency of various enterprises. Right now, the situation in Shanghai is grim and its tasks remain arduous. Under this condition, we must, all the more, unite as one, work hard with a revolutionary drive to maintain the political situation of stability and unity, and actively support and help the government overcome its difficulties and do a still better job in carrying out work in Shanghai.

Mao Jingquan, vice chairman of the municipal CPPCC Committee, presided over the session. Attending the session were Wang Xing, Zhao Chaogou, Xu Yifang,

Tang Junyuan, Dong Yinchu, Zhang Ruifang, Yang You, Yan Dongsheng, Wu Zengliang, Chen Mingshan, and Zhao Xianchu, vice chairmen of the municipal CPPCC Committee.

Also invited to attend the session were Zhu Rongji, Chen Guodong, Wang Daohan, Huang Ju, Wu Bangguo, Zhang Dinghong, Zhao Qizheng, Yang Zhifan, Ye Gongqi, Sun Guizhang, Tan Jiazhen, Ye Shuhua, Li Jiahao, Wang Chongji, Gu Chuanxun, Ni Tianzeng, Xie Lijuan, Gu Nianzu, Shi Zhusen, Zhu Daren, Ba Zhongtan, Liu Xingwen, and others. Su Buqing, vice chairman of the CPPCC National Committee, also attended the session.

Commentary Cites Shanghai's Economic Problems
HK0905093889 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0822 GMT 7 May 89

[Commentary by Hu Wei (2083 4850): "Is Shanghai Declining?"—ZHONGGUO TONGXUN SHE headline]

[Text] Shanghai, 7 May (ZHONGGUO TONGXUN SHE)—Despite a report by the government press media that Shanghai has registered an "appropriate and steady growth" in its industrial production this year, an official in charge of the city's economic work admitted in private that Shanghai is encountering unprecedented difficulties in its economic development.

Statistics have made an optimistic impression on people. According to the Shanghai Municipal Statistical Bureau, in the first quarter of this year, the city's industrial output value amounted to 26.1 billion yuan, an increase of 8.9 percent over the same period of last year. April witnessed the largest growth rate, one of 13.6 percent. But an informed source disclosed that the growth rate of state-run enterprises was very low and a certain drop was registered in iron, steel, and textile production. People in economic circles are worried that it will be very difficult to fulfill the economic development plan formulated early this year if external conditions continue to remain unimproved.

An authoritative person pointed out that energy and raw materials still remain in short supply and that the situation has even worsened since the beginning of this year. Enterprises are short of liquid funds. According to reports, many enterprises cannot even obtain the raw materials that should have been distributed according to the relevant state plan. As for raw materials at negotiated prices, many enterprises feel these prices are too high to accept. Many enterprises are operating under capacity due to an electric power shortage.

As pointed out by some experts, a fundamental way out Shanghai's economy to operate in a virtuous cycle lies in an adjustment of its product mix and industrial structure. In the meantime, there is a need to expand the work of opening up to the world so that the city's economy will gradually take on an export-oriented nature. However,

this cannot be accomplished overnight. The manufacturing industry still remains the main source of revenues and commodities for the city. But the larger part of its financial revenues has to be submitted to the state; therefore, if an economic decline occurs in this largest industrial base of the country due to a slight mistake in policy, Shanghai will not be the only city to suffer.

Since last year, China has implemented the policy of retrenching investments in capital construction, and this has markedly impacted on Shanghai's efforts to rebuild its dilapidated old facilities, and greatly slowed down the progress of its underground railway projects and the construction of the Huangpujiang bridge, both aimed at improving the city's heavily-jammed traffic. The people have lived in a packed and polluted environment for years on end, and are in low spirits because they do not see any inspiring prospects. In such cases, production and work are also affected.

Observers here have pointed out worriedly that signs of Shanghai's decline are becoming more prominent. However, despite all of this, in the difficult year of 1988 Shanghai still fulfilled the contracted task of realizing revenues amounting to 15.3 billion yuan, with export revenues of \$4.6 billion. It also delivered 10.5 billion yuan to the state that year. All this suggests that Shanghai has not lost its vitality. The municipal government is now trying to do what it can to "resume the city's prowess." As long as top CPC leadership takes a sensible attitude toward Shanghai and implements an inclination [qing xie 0282 2438] policy to support the city, it will be possible for Shanghai to restore its vitality and continue to make important contributions to the country's economic development.

Zhejiang's Li Stresses Ideological Education
OW1005033589 Hangzhou Zhejiang Provincial Service
in Mandarin 0900 GMT 24 Apr 89

[Text] Li Zemin, secretary of the provincial CPC Committee, emphatically pointed out recently at the closing of a provincial meeting of propaganda chiefs: Party committees, governments, and propaganda cadres in the province must resolutely implement the policy of the CPC Central Committee on the simultaneous promotion of spiritual and material civilization, adhere to the ideological line of seeking truth from facts, and correctly understand the key points in propaganda work.

Li Zemin pointed out in his speech that in the new historical period of developing a planned socialist commodity economy, misunderstanding about propaganda work can be found among some comrades; they regard economic construction as the center of all work; they [word indistinct] economic work [word indistinct]; they think one can do without propaganda and ideological work; they believe such work is just make-believe; some even liken it to phony politics and to the practices of the left. This kind of understanding is erroneous, creating great harm in practice. We should draw lessons from it.

Comrade Li Zemin said: Comrade Xiaoping recently pointed out that our biggest mistake in the past 10 years was in the area of education. I understand the education [words indistinct]. On one hand, it refers to the relative backwardness in the development of education compared with economic development; and to many problems, in the area of educational investment, thinking, reform, and content. On the other hand, it refers to the inadequate work in the education of society, which includes that of party members and cadres, of the masses, of youth, and of raising the ideological and moral quality of the people throughout the nation. Particularly in recent years, we did not press ahead with ideological and political work; we even neglected it; for example, we neglected stressing the need for upholding the glorious tradition of plain living and hard struggle. This is one of the important contributions to current ideological confusion among the public; to loose organization; to low public morale; and to the spread of negative, corrupt, and evil phenomena in the party and society. He emphatically pointed out: One of the very important aspects of doing a good job in current ideological and political work is to adhere to the ideological line of seeking truth from facts; correctly understand the key points in propaganda work; and integrally and accurately spread the line, principles, and policy of the party. Specifically, we should publicize the two fixed policies to the people throughout the nation through our party's propaganda and ideological work. More specifically, the general policy of the four cardinal principles, the reform and opening to the outside world, cannot be changed; the policy of improving the economic environment, the rectification of economic order, and the deepening of reform cannot be changed. We should also publicize the three stabilities, which are: stability of the economy, popular will, and the overall situation. Currently, the key to achieving the two fixed policies and three stabilities is to boost morale, raise spirits, increase confidence, overcome difficulties with one heart and one mind, and really implement the task of improving the economic environment and rectifying economic order, economic readjustment, and reform.

Comrade Li Zemin said that it is most important to correctly understand the key points in propaganda work, adhere to the ideological line of seeking truth from facts, dare to speak the truth, and reveal the actual situation. He pointed out: Before we start talking about seeking truth from facts, we must first clear up the problem of how to view the achievements and mistakes in the 10 years of reform and opening to the outside world. It appears that we should, on the one hand, speak in unequivocal terms of our achievements; on the other hand, we should speak about difficulties, contradictions, and mistakes in a spirit of seeking truth from facts. Second, there is the problem of how to treat international and domestic social trends, ideological movements, and tendencies. We should, on one hand, attach importance to, concern ourselves with, and not dismiss

these problems. On the other hand, we should be cautious in propaganda. Do not rashly treat different opinions and views contrary to reform and opening to the outside world as social trends. Third, we should adhere to the theory of materialist dialectics. [Passage indistinct]. When talking about improvement in the economic environment and rectification of economic order, we should not be overanxious about quick results; nor should we lack confidence. As for corrupt phenomena within the party, we should distinguish between principal and secondary aspects of the phenomena; we should not exaggerate, nor should we disregard the seriousness of the problem. When talking about socialist, democratic political construction, we should not only talk about its necessity and importance, but also, in clear terms, discuss the need to proceed from China's actual situation, the need for a gradual process; we should also not be overanxious for quick results in this regard. In short, only through such a comprehensive talk and in-depth analysis would we be able to convince people. There are two standards to go by in checking the correctness of propaganda work. The first is to see if our propaganda work is conducive to promoting the development of productive forces; another is to see if the propaganda work is conducive to promoting social stability and unity. Of course, these two standards include the building of spiritual civilization and work in the area of ideology and politics.

Comrade Li Zemin called on leading comrades of provincial party committees and governments to attach great importance to the study of ideology and the publicity of theory. He said: To strengthen work in this area, the provincial CPC Committee plans to sponsor a study session this summer for leading cadres at or above the county level.

Central-South Region

Foreign AIDS Carrier Leaves Guangzhou
OW1005014189 Beijing XINHUA in English
1544 GMT 5 May 89

[Text] Guangzhou, May 5 (XINHUA)—A foreign student confirmed as being infected with the AIDS virus left Guangzhou today under the supervision of the local health department.

The foreigner, now 23, came to study at a school for Overseas Chinese in Guangzhou in January, an official from the provincial quarantine department said. He refused to identify the student's nationality.

He said the foreigner was found to be an AIDS virus carrier in a recent blood test conducted by the Guangzhou quarantine office. And the finding was later confirmed in two other tests by authoritative health institutions.

The official said the foreigner admitted that he had some sex partners in Guangzhou. Local quarantine departments are keeping close supervision on the identified partners and investigating other people who have had close contact with the patient.

The student is the third AIDS virus carrier found among foreigners in Guangzhou since 1987.

Hainan's Xu Shijie Proposes Journalism Reforms
HK1205084389 Haikou Hainan Provincial Service
in Mandarin 1000 GMT 11 May 89

[Text] The provincial party committee Propaganda Department held a forum on the work of news reporters yesterday morning, at which provincial party committee secretary Xu Shijie delivered an important speech.

In his speech, Comrade Xu Shijie profoundly analyzed the relationship between press freedom and discipline, between different voices and key notes, between supervision through public opinion and seeking truth from facts in news reports, between economic returns and social benefit, and between improving coverage of meetings and reporting key points.

Comrade Xu Shijie continued: Our coverage on the endeavors to establish Hainan as a province and building Hainan into a large, special economic zone can be more lively and free. However, freedom is not unlimited. It should not be beyond the bounds of the state Constitution, state policies, or state law; it should not run counter to the four cardinal principles and be against the interests of the state and the Chinese nation. Propaganda work must be vivid and lively, reflect different voices, and create an atmosphere of harmony and cheerfulness for the purpose of encouraging people to care for and discuss national affairs, maintain stability and unity in the country, and promote the four modernizations; it should not create ideological confusion among the people.

Xu Shijie said that mass media must interfere in people's lives, give guidance to the people, supervise corrupt phenomena, encourage healthy tendencies, and contribute to the establishment of a system of continual party and government cleanups. In conducting supervision through public opinion, we must not rely on hearsay, but should report accurately and seek truth from facts; we should address problems and must not stir up dissatisfaction. With regard to hot points and difficulties, we should lower the temperature and must not add fuel to the fire. The purpose of increasing political visibility is to give correct guidance to public opinion and not to let out secrets.

Xu Shijie emphasized that the media spreads what people are interested in: the economic, cultural, and other fields and work of society. Meanwhile, the media should not go against the law of value in journalism, and should give priority to its social benefit. On this premise,

we may strive to achieve better economic results, but should not run newspapers as a commodity or have them contain too many advertisements.

Comrade Xu Shijie also pointed out: In reforming the coverage of meetings, we suggest that ordinary meetings not be reported or reported less. With regard to speeches made by leaders at meetings, some valuable parts of their speeches can be reported, but it is not necessary to report those speeches containing too many trite remarks. News reports on meetings should be focused on the masses of the people and not on leaders. Attending the forum were provincial party committee deputy secretary Liu Jianfeng, Vice Governor Xin Yejiang, provincial propaganda department deputy head (Chen Muguang), and provincial department head of culture, broadcasting and sports (Hong Shouqiang). Liu Jianfeng, (Chen Muguang) and (Hong Shouqiang) delivered a speech on the occasion. Also present at the meeting were responsible persons of the province's press units and press units of other provinces stationed in Hainan Province.

North Region

Tianjin's Li Ruihuan Gives Speech on Democracy
SK1205035089 Tianjin TIANJIN RIBAO in Chinese
25 Apr 89 pp 1, 3

[Excerpts] The second session of the eighth municipal committee of the Chinese People's Political Consultative Conference [CPPCC] concluded successfully at the Tianjin Guesthouse on the morning of 24 April after fulfilling the various items on its agenda.

The session called on CPPCC organizations at various levels and their members throughout the municipality to conscientiously implement the political resolution of the second session of the Seventh National CPPCC Committee, arouse spirit, enhance confidence, work hard with one heart and one mind, and strive to consolidate and develop our municipality's stable, united, democratic, and harmonious political situation, to achieve new success in our municipality's improvement, rectification, reform, opening up, and socialist modernization, and to facilitate the peaceful reunification of the motherland.

Executive chairmen of the 24 April session were Xiao Yuan, Zhao Jinsheng, Huang [unclear], and Huang Yusheng.

Li Ruihuan, secretary of the municipal party committee and municipal mayor, attended to give an important speech.

Tan Shaowen, chairman of the municipal CPPCC Committee, spoke at the end of the session.

Seated on the rostrum were He Guomo, Yu Songting, Kang Tiejun, Chen Yuru, Liao Canhui, and Yang Hui, vice chairmen; and Guo Jinhou, secretary-general of the municipal CPPCC Committee.

Also seated on the rostrum were Wu Zhen, Yan Dakai, Zhang Zaiwang, Hao Tianyi, Nie Bichu, Liu Jinfeng, Lan Baojing, Yang Jingheng, Wang Xudong, Lu Xuezheng, Huang Yanzhi, Wang Chenghuai, Zhang Lichang, Li Huifen, Yang Huijie, Li Yuan, Liu Zengkun, Yang Jianbai, Han Tianyao, Yu Fujing, Zhu Wenju, Bai Hualing, Pan Yiqing, Yao Jun, Wu Tingqiu, Yu Guocong, Zhou Yuliang, and Fang Fang, as well as veteran comrade Zhou Ru. They extended their congratulations on the success of the session. [passage omitted]

In his speech, Li Ruihuan warmly congratulated the body on the success of the session. He said: Showing deep concern for the government work and the causes of Tianjin, members present at the session have very earnestly offered opinions, suggestions, and criticisms. This manifested their support to the municipal party committee and government. I now extend heartfelt gratitude to them. The government will conscientiously study the opinions, criticisms, and proposals offered by the members, carry them out, and give clear answers to the members.

He said: Compared with last year, this session showed some improvement. The most important improvement is that democracy has been further developed in the process of the session. Most members of the municipal government and responsible comrades of departments concerned have attended the group discussions of people's deputies and CPPCC members to explain and answer inquiries and questions, and to study and resolve issues. Through consultation and joint study, they answered and resolved more than 100 questions. This was unprecedented. People's deputies and CPPCC members have expressed their satisfaction with it, and government officials have also felt that it has helped to upgrade and promote their own work. The session has been a democratic, vigorous, and united one, one which has aroused efforts.

Li Ruihuan said: Democracy is a currently a widely discussed issue or, we may say, a hot topic. Democracy is a means, a purpose, and also a process, and has its fixed meaning. To the leading persons who pay no attention to developing democracy and who do not respect the democratic rights of the masses, and to the localities where the status of the masses as masters is not respected, democracy is an objective. On the condition that everyone's interests are common, democracy has its meaning as a means to attain the goals of common concern, such as accomplishment of the four modernizations, revitalization of China, and success in Tianjin's work, through the concerted efforts of everyone. Democracy represents a dynamic process of development, and the degree of its development is conditioned by economic and cultural levels. As has been proven at this session, with democracy fully developed, and all participants able to air their views freely and pool their wisdom, they will have more vigor and their thinking will be more unified. No doubt, to solve the problems we are faced with, we should have centralized leadership and leadership authority, and

formulate some unified discipline. However, they should not be divorced from democracy, which is the foundation, and go counter to the desire of the majority of the people. Therefore, an active effort to promote democracy is consistent with the firm implementation of the principle of stability. Without true democracy, true stability would be impossible; and deviating from the principle of stabilizing the order, true democracy would be out of the question. Several years of practice proved that making the People's Congress and CPPCC sessions successful, and holding continual and more extensive consultations and dialogues during the two sessions and when carrying out routine work constitute an important part of the effort to promote democracy. Since the beginning of this year, we have adopted various measures to hold consultations and dialogues on several occasions with CPPCC members, democratic parties, and friends from other circles to conduct explorations and study on some very important issues. This has played a very effective role in making our policymaking more scientific and democratic. It should be pointed out, however, that many comrades still lack initiative in doing so. From now on, we should increase the content of the consultation, dialogues, and joint explorations and pursuit of knowledge, and continually adopt new measures to increase the visibility of our political work. We should further accelerate the progress of democracy, allow the entire society to discuss and consult over more issues, including sensitive and difficult ones, and enable more people to participate in the study and policymaking on Tianjin's work. He urged the members to maintain close ties through various channels, strengthen consultation and exercise supervision over the government work, and exert concerted efforts to consolidate and develop Tianjin's excellent situation.

The session concluded amid the magnificent rendering of the national anthem.

Tianjin People's Congress Session Concludes
SK1205070489 Tianjin TIANJIN RIBAO in Chinese
26 Apr 89 p 1

[Text] The 6-day 2d session of the 11th Tianjin Municipal People's Congress successfully concluded at the Cadres Club on the afternoon of 25 April after fulfilling its various tasks. The session called on the people of various nationalities throughout the municipality to advance in unity under the leadership of the CPC, strive to further safeguard the stable and united political situation, and fulfill the tasks for improvement, rectification, and deepening of reform.

Executive chairmen of the closing ceremony of the session were Wu Zhen, Yan Dakai, Zhang Zaiwang, Hao Tianyi, Tan Shaowen, Liu Jinfeng, Li Yuan, Liu Zengkun, Yang Jianbai, Han Tianyao, Yu Fujing, Shi Jian, Zhu Wenju, Bai Hualing, Pan Yiqing, Xu Ming, and Li Senrong.

Other leading persons of the municipality and responsible persons of the departments concerned who were seated on the rostrum included Li Ruihuan, Nie Bichu, Yang Jingheng, Wang Xudong, Lu Xuezheng, Huang Yanzhi, Wang Chenghuai, Zhang Lichang, Li Huifen, Lan Baojing, Mao Changwu, Li Zhendong, Zhang Zhaoru, Qian Qiao, Xiao Yuan, Zhao Jinsheng, He Guomo, Huang Tifei, Yu Songting, Kang Tiejun, Chen Yuru, Liao Canhui, Yao Jun, Wang Yongchen, Tao Yimin, Lu Da, Li Zhongyuan, Bai Hua, Zhao Jun, Wang Liji, Han Enjia, Hu Xiaohuai, Fang Fang, Wu Chengzong, and other members of the presidium.

Wu Zhen, executive chairman of the session and executive member of the presidium of the session, presided over the closing ceremony.

At 1430, the chairman announced: The number of deputies who should attend the session totals 716, and the number of those who are actually present is 597, which complies to the quorum. The session is now open.

By a show of hands, the deputies approved the "resolution on the government work report," the "resolution on the fulfillment of the Tianjin municipal 1988 national economic and social development plan and on its 1989 national economic and social development," the "resolution on the execution of the Tianjin municipal 1988 budget and on its 1989 budget," the "resolution on the work report of the Standing Committee of the Tianjin Municipal People's Congress," the "resolution on the work report of the Tianjin Municipal Higher People's Court," the "resolution on the work report of the Tianjin Municipal People's Procuratorate," the "resolution on abolishing the Tianjin municipal provisional regulations for road traffic management," and the "resolution on revising certain articles of the Tianjin municipal regulations on the procedure for formulating local rules and regulations."

The session concluded amid the magnificent rendering of the national anthem.

Northeast Region

Heilongjiang Leader Speaks on May 4th Movement
SK0505013489 Harbin Heilongjiang Provincial Service
in Mandarin 0900 GMT 3 May 89

[Radio speech by Zhao Wenzhou, secretary of the provincial committee of the Communist Youth League (CYL): "Commemorate the May 4th Movement and Revitalize China"—recorded]

[Text] This year marks the 70th anniversary of the May 4th Movement. The anniversary of the May 4th Movement is also a glorious festival of youth. On this occasion, I would like to extend cordial greetings and festive congratulations to young friends of all nationalities on all fronts on behalf of the provincial CYL Committee. The May 4th Movement was a great patriotic movement

aimed at opposing imperialism, and a great new cultural movement aimed at opposing feudalism. The youths of the May 4th Movement bequeathed a valuable spiritual legacy to us. Today, when we carry out the socialist modernization drive and constantly deepen reform, the most suitable action to mark the May 4th Movement is to carry forward the patriotic spirit of the May 4th Movement, revitalize China, and realize the four modernization. The vast number of youths and CYL members in Heilongjiang Province should make contributions toward revitalizing Heilongjiang and deepening reform. To carry forward the patriotic spirit of the May 4th Movement, we should consciously maintain political stability and unity. Over the past 70 years since the initiation of the May 4th Movement, the Chinese nation has advanced wave upon wave, and has kept on fighting in spite of all setbacks, thus calming down various domestic troubles, defeating foreign invasions, and creating a stable and united social environment for carrying out reform and construction. Such a stable and united situation has not come easily. We should cherish such a hard-won situation just like we cherish our own eyes. To carry forward the patriotic spirit of the May 4th Movement, we should take an active part in the practice of reform, and play a positive role in improving the economic environment, rectifying the economic order, and deepening reform. Reform is the only way to promote the social and historical progress of China. Now, our country's reform has entered a critical and historic period. Therefore, the young generation is all the more required to struggle for reform persistently. We should foster firm confidence and an indomitable will. On no account should we lose confidence and courage on seeing the setbacks and difficulties facing us in the road of advancement and development. We should use a Marxist and scientific world outlook and methodology to observe and solve the series of contradictions and problems emerging in reform and construction, and to promote the reform and construction in all fields and on all fronts so as to orient reform and construction to the sound path of successful advancement.

To carry forward the patriotic spirit of the May 4th Movement, we should work arduously to realize the four modernizations and revitalize China. With a vast territory and plentiful natural resources, our province will have good prospects. The large number of youths in the province must firmly foster the idea of developing the commodity economy, enhance their understanding of competition, exploit their intellectual and physical advantages, make full use of various natural resources to develop commodity production, involve themselves in social competition, work hard in pioneering causes, and dedicate their youth and vigor to the development and the building of Heilongjiang.

Jilin's He Zhukang Attends Cadres Conference
SK0905103989 Changchun Jilin Provincial Service
in Mandarin 2100 GMT 8 May 89

[Excerpts] On the morning of 8 May, the provincial party committee and the provincial government cosponsored a

television conference to commend advanced collectives and individuals emerging in the work involving veteran cadres.

Present at the conference were leading comrades of the provincial party committee, the provincial Advisory Commission, the provincial People's Congress Standing Committee, the provincial government, the provincial committee of the Chinese People's Political Consultative Conference, the provincial Discipline Inspection Commission, and the provincial Military District, including He Zhukang, Wang Zhongyu, Zhang Fengqi, Huo Mingguang, Liu Yunzhao, Du Qinglin, Chen Xingyin, Li Deming, Gao Wen, and Gao Yan; and some former provincial level veteran cadres, including Li Diping, Yu Lin, Zhang Shiyang, Zhang Kaijing, [name indistinct], Liu Cikai, Wanmg Jiping, Yang Zhantao, Wang Guanchao, Yan Zitao, [name indistinct], Che Minqiao, and Jin Cheng.

Comrade Gao Yan presided over the conference. On behalf of the provincial party committee and the provincial government, Gao Wen declared the decision on commending advanced collectives and individuals emerging in the work concerning retired and veteran cadres. [passage omitted]

Provincial leading comrades issued certificates of merit and certificates of honor to advanced collectives and individuals.

Du Qinglin, deputy secretary of the provincial party committee, and Zhang Fengqi, chairman of the provincial Advisory Commission, made speeches at the conference. [passage omitted]

Northwest Region

Gansu Officials Conduct Dialogue With Students
HK1005014389 Lanzhou Gansu Provincial Service
in Mandarin 2300 GMT 9 May 89

[Text] Some Lanzhou college students have held street processions and presented petitions in recent days. On 9 May, leaders of the provincial party committee and government and responsible comrades of departments concerned held dialogues with student representatives from Lanzhou University and Northwest Nationalities College, and answered the questions they raised. These two dialogues were organized by the Gansu Student Federation.

A student asked: How did the provincial authorities view the incident on 4 May, when several thousand college students marched to the provincial government building and held a rally there? Why did the Gansu media not report this?

Yan Haiwang, deputy secretary of the provincial party committee, said: Many of the demands raised by the students during their street processions are identical

with the government's aspirations, and are aimed at promoting the building of democratic politics and reforms. As for why the 4 May procession was not reported, the main reason was consideration for the social effect [shehui xiaoguo] and preservation of social stability and unity.

During their speeches, the student representatives participating in the dialogues mentioned that there is corruption and decadence among party and government staff. Yan Haiwang and Vice Governors Zhang Wule and Mu Yongji briefed the students on the basic situation in Gansu in stepping up the building of clean government and investigating and punishing official profiteers. They said that there is indeed corruption among some of our work personnel. We also strongly resent this state of affairs. The provincial party committee and government have paid much attention to building clean government in the past 2 years and have done a great deal of work for this. According to statistics, the province has already set up 159 reporting centers; 7,118 cases have been reported to the centers; 4,969 of them have been investigated; 507 have been dealt with; and 123 people have been arrested in accordance with law. Fifty-eight of the cases involved cadres at the prefectural level, and 22 such persons have been investigated.

Some students asked about the promotion, appointment, and incomes of the family members, sons, and daughters of the principal provincial leaders. Lu Kejian and Yan Haiwang said that for a time, there was a great deal of gossip in society, and the central departments concerned sent people to Gansu several times to carry out investigations and learn about the situation. They also reached conclusions. If the students find that the provincial leaders and their family members and sons and daughters are violating law and discipline, we welcome you to

promptly come and report the facts, to help the provincial authorities to seriously investigate and deal with the matter. We must resolve the problem of corruption by applying the methods of democracy and the legal system.

Some students asked: Thieves are rampant in Lanzhou. In addition, some ugly phenomena in society have staged a comeback. What do the provincial authorities intend to do about this? Vice Governor Mu Yongji replied that social order is a major problem. The problems reflected by the students accord with the province's reality. The masses of all sectors of society also have strong views on this problem. In the 1st quarter of this year, crime and major cases continued to show a rise. Not long ago, the province convened a political and legal work conference which decided to crack down swiftly and hard on criminals while also tackling the problem in a comprehensive way.

When student representatives raised questions of education in minority-nationality areas, investment in education, college student assignment, and pay and conditions for intellectuals, Lu Kejian, Yan Haiwang, and Zhang Wule; (Wei Xintong), deputy secretary general of the provincial government; and Wang Fengshan, director of the provincial Education Commission, said that problems such as little investment in education, inappropriate assignments of college students, and low pay and conditions for college teachers indeed exist in Gansu. This requires that we further perfect and complete the policies, increase investment in education, and improve the operation of schools and pay and conditions for intellectuals. On the college student assignment issue, we will make the work more visible and perfect the assignment system.

Yan Haiwang also fervently hoped to make friends with the students and hold more chats with them, to regularly listen to the cries of the students and spur the building of democratic politics in the province.

Rules for Indirect Mainland Investment Planned
OW1205010289 Taipei CNA in English
1534 GMT 8 May 89

[Text] Taipei, May 8 (CNA)—The Ministry of Economic Affairs tentatively decided Monday to suggest that the cabinet establish rules and laws to regulate local businessmen's indirect investment on and trade with the mainland.

The decision was made in a ministry meeting presided over by Minister Chen Li-an. "We must fully protect ourselves from possible damages resulting from the Chinese communists' wayward policies while developing our economic and trade links with the mainland."

Chen, citing national security concerns, has repeatedly cautioned local entrepreneurs against rashly expanding trade and investment with the Chinese communist-controlled mainland with which the ROC [Republic of China] Government has been technically at war for more than 40 years.

Vice Economics Minister Wang Chieng-shien revealed that his ministry will draft detailed rules to restrict the types of investments permitted and the percentage of equity to be held by local investors. The rules will be made public after the draft statutes governing civil relations between the two sides of the Taiwan Straits are approved by the cabinet's ad hoc Mainland Affairs Committee, Wang said.

Vice Minister Addresses Mainland Funding Issue
OW0705025289 Taipei International Service
in English 0200 GMT 3 May 89

[Text] Vice Economic Minister Wang Chien-shien stated on Monday that the government is not planning to consider using the Overseas Economic Cooperation Development Fund to help the economic development of Mainland China. Wang said the fund is set up to help friendly developing countries. As Mainland China is only a land the ROC [Republic of China] lost to the mainland communists, the government does not admit that it is a country. Therefore, currently the government does not plan to use the fund to help Mainland China.

As to the issue of the government buying shares in the Asian Development Bank [ADB], which loans funds to its member countries, including Mainland China, Wang said that this is the business of the ADB and the ROC can do nothing about it.

Kuo Speaks on Attendance at ADB Meeting
OW0905114689 Taipei CNA in English
1517 GMT 8 May 89

[Text] Chiang Kai-shek Airport, northern Taiwan, May 8 (CNA)—Finance Minister Shirley Kuo emphasized Monday that her participation in the just-concluded

Asian Development Bank's [ADB] board of governors' meeting in Peiping does not mean any change in the Republic of China's [ROC] mainland policy.

She told the press upon returning from her historic visit to mainland China that she was leading an official ROC delegation to participate in an important meeting of an international organization which happened to take place in Peiping.

"There is no political meaning. Our participation does not have any link to our mainland policy," she said. Her official presence in Peiping will not affect the future development of ties between both sides of the Taiwan Straits, Kuo added.

She also stressed that she and other ROC delegates stood upon the entry of communist Chinese President Yang Shang-kun and the playing of its "national anthem" only as a last resort as delegates of an ADB member country.

Dismissing local news reports suggesting there might have been a split of opinions among the ROC's 12 delegates, she said she had consulted with deputy chief delegate Hsueh Yu-chi, a senior diplomat and presidential advisor, many times as to the "standing" issue. The result of their consultations was the decision to follow the ADB-arranged program at the opening ceremony, which requested all participants to stand up during those moments, the minister said.

"We did so only after finding that any other acts were technically impractical," she stated, noting that she crossed her arms and looked about, humming along as the anthem was played.

As to Peiping's attempts to "minimize" Taipei's presence at the ADB meeting, she said the ROC delegation was there just to fulfill its rights and obligations as a member country in a bid to contribute to ADB causes.

"We were simply participating in an international event," even though Peiping might have tried to do something more than "minimizing" the ROC, she said.

In conclusion, she said she thanked the people at home for supporting her delegation's participation in the 22d ADB board of governors' meeting. She described the trip as "smooth and successful."

Commentary Views Trip as 'Test'
OW1005063989 Taipei International Service
in English 0200 GMT 10 May 89

[Station commentary: "ADB Delegation Returns Home to Controversy"]

[Text] Finance Minister Shirley Kuo and the other members of the Republic of China on Taiwan's delegation to the annual Asian Development Bank [ADB] conference, held in Peking last week, returned home

Monday amid a controversy about their actions in Peking. Conservatives have criticized Kuo for deciding to have the Taipei delegation stand at the playing of the Chinese communist regime's anthem at the bank meeting opening ceremony. They charge that her action violates the government's longstanding refusal to recognize the Chinese communist regime in any form or fashion.

But Kuo disputed that view at a press conference upon her return to Taipei. She reiterated several times that the delegation had three choices in the matter: refuse to attend the opening ceremony, and risk being censured by the bank; refuse to stand during the anthem, in violation of bank protocol, thus risking expulsion; or, courteously go through the motions and stand. She said the last option became the only option when weighed against the heavy penalties of the two others.

During the anthem, Kuo and the other Taipei delegates stood but folded their arms, and even whispered to each other. In doing so, they toed the line on showing respect for bank protocol, while refusing to give their total attention to recognition of Peking's anthem.

Kuo also cited another reason why attendance was nearly mandatory from the very start of the opening ceremony; the mass student protests going on outside the Great Hall made it necessary for bank representatives to be escorted to the hall earlier than planned. The Taipei delegation could not be afforded separate treatment.

Public opinion polls taken around Taiwan last week tend to support Kuo's contention that the delegation's actions were both in line with the bank's requirements and the bounds of national policy with regard to the Chinese communist regime. But some conservatives argue otherwise, saying that standing during an anthem is tantamount to tacit recognition of the Chinese communist regime, and thus violates the very basic tenets of national policy.

The debate over this will likely quiet down, since most high ranking officials, including President Li Teng-hui and Premier Yu Kuo-hua have given the nod of approval to Kuo.

The issue here is the fine line between the protocol requirements of an international organization, versus the always important consideration of national policy. In days past, the Government of the Republic of China on Taiwan stood fast to its policy guns. No contact whatsoever was permitted with the Chinese communist regime, and no one dared think of giving even the slightest hint of recognition of the regime.

But times have changed, and rather quickly on Taiwan. Today, policy toward the mainland is characterized by a new pragmatism, pushed forward by President Li Teng-hui. It is based on the need to break out of diplomatic isolation by compromising on certain issues of protocol in international organizations, while remaining firm on national policy.

The ADB case happened to be a test for both the mainland policy and the flexible diplomacy in international organizations. Taipei's decision to attend the ADB meeting in Peking underlined the Li administration's determination to participate in international organizations despite name and other protocol problems. After that decision, the issue of how the Taipei delegation would conduct itself in Peking, specially with regard to incidental contact with Chinese communist authorities, became a major concern for policymakers. It was decided that the delegation would stick to bank activities only, a rule they did not violate while in Peking.

As just mentioned, the furor surrounding Kuo's visit to Peking will likely die down since the public has widely approved of the decision to send her, and her actions while there.

Editorial Studies Student Unrest on Mainland
OW0705195989 Taipei CHINA POST in English
27 Apr 89 p 4

[Editorial: "Chinese Mainland Students' Defiance of Peking Authorities"]

[Text] Thousands upon thousands of students on the Chinese mainland have launched massive demonstrations in major cities to protest Chinese communist dictatorial rule and demand freedom, democracy and human rights.

The demonstrations began last week at Peking's Tiananmen [Tiananmen] Square and grew to include 200,000 by Friday on the eve of Hu Yao-pang's [Hu Yaobang] funeral last Saturday. Students spent the night on the square, and demanded at the memorial ceremony to see the Chinese communist leaders, without success. After much commotion, they managed to present their demands in the form of chanted slogans, and banners bearing such epithets as "Long live freedom," "Down with dictatorship," "Down with corruption" and "Down with bureaucrats".

It is ironic that Hu was fired from his communist party post because of his failure to control student demonstrations in 1987. He became a hero in the eyes of Chinese students and the Chinese communist hierarchy was forced to hold a memorial ceremony in his honor at the "Great Hall of the People." As a result Hu has been rehabilitated by the students and great esteem and honor have been restored to his name.

The students' demonstrations in Peking were quickly echoed by the students in Shanghai, Changsha, Sian [Xian] and Chengtu [Chengdu], where students not only staged demonstrations but clashed with the police and the military, resulting in several hundred casualties.

As the 70th anniversary of the May 4th Movement approaches, further demonstrations may be anticipated. Peking students have also called a general boycott of classes in colleges, which is sure to spread to other cities.

Mainland Chinese students in the United States are also supporting their fellow students on the Chinese mainland by organizing a student union outside of the control of the Chinese communist authorities. It looks like the birth of another China spring movement in the United States, [as published], which will command the allegiance and support of the tens of thousands students there.

However, the dispatching into Peking of the 38th Army Corps by the communist regime constituted an ominous sign that Peking is ready to resort to force to crush the student movement. Peking's subsequent warning to the students against further unrest, accusing the students of a planned conspiracy to overthrow the communist party and plunge the mainland into chaos showed the seriousness with which the Chinese communist hierarchy is treating the week-long unrest.

Whether Peking's warning, backed by the Army is sufficient to stop the student unrest remains to be seen. But for the first time, the students have raised the demand for Li Peng to resign and for Teng Hsiao-ping [Deng Xiaoping] to retire, both unprecedented in past demonstrations, showing the current sentiments of the young students on the Chinese mainland which can not be readily crushed by force.

As the unrest represented the largest mass movement against the Peking regime since the Cultural Revolution, it may be a long time before the students are willing to resume classes. Their defiance of the regime is likely to have a long-lasting effect on the Chinese mainland's future.

Commentary Discusses Causes of Mainland Protests
OW0705010389 Taipei Domestic Service in Mandarin
2300 GMT 24 Apr 89

[Station commentary: "Keep a Watch on the Mainland Situation and Readjust the Mainland Policy"]

[Text] The social disturbance on the mainland escalated from mourning the death of Hu Yaopang to climaxing in a nationwide struggle for freedom and democracy in the past few days. The death of Hu Yaopang is only one factor serving as a fuse. Another factor serving as the most important part of the fuse is the desire of all the people on the mainland to pursue democracy and freedom. In other words, the social disturbance aims at negating the communist Chinese regime that advocates adherence to the four cardinal principles and establishing another social system under which people can enjoy democracy and freedom.

This time, the democratic movement on the mainland should not be considered to simply originate from commemoration of Hu or be explained as the result of

factional strife. It is a passionate eruption of all the people on the mainland, who have been subject to suppression for a long time, as well as a national demonstration for freedom. When one looks at this explosive incident, one can see that it is an action that is not only taken by intellectuals and students on the mainland, but also has the participation of workers, peasants, and even a group of the cadres of communist China. Furthermore, in terms of areas, the movement did not just occur in Peking City, but also was echoed in Hsian, Changsha, Shanghai, Nanching, and Wuhan. This shows that it is an action shared by all parts of the mainland. The seriousness of the conflicts can be seen in the disruption of public order, attacks on local organizations of communist China, and boycotts of classes by students across the nation. This is equivalent to spreading the Tibet incident across the country. It is the most serious crisis faced by communist China in 20 years. Communist China cannot stage a bloody suppression with troops as it did in the Tiananmen incident years ago, nor can it appease the movement by finding a scapegoat, as was the case with the ouster of Hu Yaopang. All the people on the mainland demand democracy in politics and freedom in life. This is a struggle that is directed against the communist Chinese system.

As we push ahead with our mainland policy, all our compatriots must heighten their vigilance and keep a close watch on its development. First, we should be aware that the changes taking place on the mainland are expanding and escalating step by step. Such changes are, without doubt, caused by influence from abroad. All the moves made by Taiwan base, in particular, have had a great influence. Therefore, we should be soberly aware that our mainland policy absolutely has the utmost influence and has fueled the demand for democracy on the mainland.

The general public is of the opinion that the extent of our liberalization is not enough, and that our pace is too slow. In fact, each liberalization policy is designed to promote the reunification of China. The reunification of China means democratization and liberalization on the mainland. Our policy must be implemented with finesse. We shall confront great resistance if we move too quickly, and fail to have any influence if we move too slowly. Today, the changes taking place on the mainland prove that the will of the people on the mainland accepts our system through their recognition of democracy and freedom. We must have confidence in taking this road toward the mainland, so that the reunification of China may be fulfilled within the framework of this objective ahead of schedule. We should also be aware that all people on the mainland seek democracy and freedom and that only a handful of communist Chinese cadres, including the present ruling class in Chungnanhai, who continue a last-ditch struggle to drag out their ignoble existence and who will not hesitate to take more cruel measures to suppress democracy, absolutely oppose the movement.

Therefore, we should be firm in our steps when carrying out the mainland policy. Under no circumstances should we take hasty actions to achieve premature advances; nor can we afford to neglect our own security. In this, we also include the prevailing enthusiastic interest for the mainland, which is the craze nowadays. Those who attempt to obtain windfall profits from speculative business dealings with the mainland or who cherish romantic ideas about the mainland are urged to watch out for themselves. It should be firmly kept in mind that the handful of communist Chinese rulers will not resign themselves to giving up their power. Therefore, we should strengthen the security of our base as well as the defensive measures for ourselves. In particular, in our economic and cultural contacts with the mainland, it is necessary for us to have a clear understanding of the other side and keep a close watch on their countermeasures. We must not judge matters by the standard of free countries and areas.

The prospects for the reunification of China are bright. However, an arduous course of difficulties and obstacles lies before the bright future. It is necessary for all our people to work together with one mind in a bid to fulfill the task.

Fishing Policy To Be Topic of Talks With U.S.

Taiwan Denies Receiving Protest

OW0705025389 Taipei International Service
in English 0200 GMT 3 May 89

[Text] Director (Yuen Po-wei) of the Fishery Department under the Agricultural Council stated on Tuesday that they have not yet received any U.S. document protesting against ROC [Republic of China] fishermen's catching of fish in the northern Pacific. However, the Council will discourage local fishermen from doing so and, at the same time, work to protect the rights of local fishermen. Yuen pointed out that there is no evidence that ROC fishermen catch fish in the northern Pacific Ocean, but he also said it would be the fishermen's fault if the charge was well-founded. Therefore, the ROC will also send patrol cruisers to prevent further happening of such incident.

Yuen further noted that the time and agenda for the upcoming Sino-U.S. fishery agreement have yet to be decided. However, pressure from the U.S. side can be predicted. It is hoped that a well-specified agreement can be reached to ensure the interests for both sides.

Spokesman Hopes for Postponement

OW1005195289 Taipei CNA in English
1545 GMT 10 May 89

[Text] Taipei, May 10 (CNA)—The United States has formally asked the Republic of China [ROC] to hold fishery talks May 15 in Washington, D.C., but a spokesman for the Council of Agriculture said Wednesday that the U.S. request gave the ROC too little preparation time so the ROC hoped they could be postponed to May 22.

The spokesman noted that the fishery consultations between the U.S. and Japan and South Korea [words indistinct] as the ROC delegation's reference in its upcoming talks with America. He revealed that the chief ROC negotiator might be appointed by the Coordination Council for North American Affairs.

Also on Wednesday, "The Yuhsun No 1," a fishermen training ship belonging to the council, set sail for the northern Pacific, where 170 Taiwan drift net, or gill net fishing boats operated in 1988.

A Council of Agriculture official hoped that the training ship, whose mission is to supervise the operations of the Taiwan fishing boats there, will help defuse current tensions between the ROC and the U.S. over fishing issues.

He said that departure of the training ship is evidence of the ROC's determination and sincerity in better supervising its drift net fishing boats in the northern Pacific Ocean and hoped that it would be a convincing move in the ROC-U.S. fishery talks.

The U.S. has threatened to ban the import of fish products from Taiwan imports which reached 2 billion U.S. dollars in value last year, if the ROC fishing boats do not stop drift net fishing for salmon and trout in the northern Pacific Ocean.

Commentary Defends Trade Record With U.S.

OW0805030689 Taipei International Service
in English 0200 GMT 3 May 89

[Commentary by Joanna Fu: "U.S. Trade Sanctions Unfair"]

[Text] Making unfair accusations hardly seems the best way to fight unfair trade, but that is exactly what the United States has done, at least in regard to how the recently released report on unfair trade practices treats the Republic of China [ROC] on Taiwan.

The long-awaited report, released on Saturday, charges 34 nations with maintaining significant trade barriers to U.S. products. Japan was first on the list, targeted for the most offenses, followed by South Korea, the European Economic Community, and the ROC on Taiwan.

Officials in Taipei were quick to refute the charges, and for good reasons. Here, it is time to let the facts do the talking:

1. Taiwan has opened its doors very wide to American products in the past 2 years. Some examples: Car imports from the United States are up 135 percent over 1987 figures; sales of washing machines, dryers, refrigerators and air conditioners are up a combined 185 percent over the same period. And we are not talking about doubled growth from 4 to 8 or 8 to 16, we're talking tens of thousands of units.

2. The average tariff on the list of most commonly imported U.S. goods has been slashed from around 17 percent 2 years ago to just under 6 percent today.

3. Formerly closed markets, such as insurance and mutual funds, have been opened to U.S. competitors, who are doing very well in these markets on Taiwan, thank you.

4. The ROC on Taiwan has broken its back to promote U.S. products in the Taiwan market, even when everyone knows that this responsibility is the Americans', not the Chinese on Taiwan. But we are friends, so never mind.

5. The United States has pressured Taipei to allow the Taiwan dollar to appreciate in value against the U.S. greenback, and Taipei has responded accordingly. The fact: Since November 1985, the Taiwan dollar has gone up almost 50 percent in value. It was 40 to 1, now it's about 25 to 1. Last week alone it went up a record 159 cents against the dollar. In contrast, the Japanese yen has gone up 40 percent, the Korean won 13 percent, and the Singapore and Hong Kong dollars have not budged.

The list of facts about what the ROC on Taiwan has done to accommodate the United States on trade issues goes on and on. We can say safely that Taipei is the only trade partner to have responded in any meaningful way to U.S. problems.

But in truth, we do not care about what others have or have not done. Our name is on a list it should not be on. Inasmuch as many officials in the Bush administration have already praised Taipei for its efforts, one would think that Uncle Sam would back off a little, and not lump us together with everyone else. That, actually, is all we expected of Washington.

Instead, the report makes it look as if Washington totally ignored the facts. Why? Perhaps because somebody in the administration is desperate and wants to soak Taipei for more concessions, perhaps to make up for everyone else's stubbornness. Perhaps the ROC's mistake was to yield so much, making the country easy prey now for trade hawks in Washington. In any case, the facts are on the ROC's side. The country will continue to be a responsible and responsive trade partner, but could use a little more reciprocity from the United States.

New Fighter To Make First Test Flight Soon
OW1005010689 Taipei International Service
in English 0200 GMT 29 Apr 89

[Text] The Ministry of National Defense stated on Friday that the ROC's [Republic of China's] self-developed Indigenous Defense Fighter, or IDF, after undergoing extensive safety and reliability tests, will soon make its first test flight. The ministry also stressed that the IDF is designed according to the needs of the nation and its capability to meet the safety requirements of the ROC through the 1990's.

The ministry spokesman (Wei Chia-ching) stated that the IDF from the time of rolling off the assembly line to having its first test flight has been subject to many tests. He said that new planes designed by many advanced nations have to be tested for at least half a year after coming off the assembly line, and often times are unable to make test flights until 19 months later. He said that minor delays in the test flight of the IDF are just that, and that the tests here have proceeded much quicker than normal.

Hong Kong

Trade Official Views Post-1997 Prospects

OW0705070389 Beijing XINHUA in English
0607 GMT 2 May 89

[Text] Hong Kong, May 2 (XINHUA)—Hong Kong will continue to be a leading international business center well after 1997, important to China's mainland, to America, and to the international business community as a whole.

B.E. Lydia, chairman of the Hong Kong Trade Development Council (HKTDC), made the remark at an Asian business conference on "Business in Hong Kong Before and After 1997" last Saturday at Stanford University, California, according to a news release issued by the HKTDC here Monday.

The signs for a successful and smooth transition are positive despite some bumps along the way, she added.

Dame Lydia, who is currently on a week-long visit to the west coast of the U.S., told 100 economists, bankers and high technology experts and academics that recent political evidence points towards a smooth transition in Hong Kong, and there are powerful economic forces at work in the same direction.

She said the Chinese Government has made extensive arrangements for involving Hong Kong people in the drafting of the Basic Law, Hong Kong's constitution from July 1 of 1997.

She also referred to the economic advantages which the Chinese mainland [word indistinct] from Hong Kong as vast, and as the mainland continues to open up, its economic interdependence with Hong Kong will further increase.

Dame Lydia noted that the Sino-British Joint Liaison Group, set up to implement the Sino-British Joint Declaration, has achieved substantial progress.

Agreements had been reached in many complex areas including nationality and travel documents, air service agreements between Hong Kong and foreign countries, and external economic and financial relations.

Moreover, she said, as a result of the work of the Sino-British Land Commission, land leases are now being granted or extended beyond 1997, which ensures that land will be available for the continued development of Hong Kong's economic and social infrastructure.

Dame Lydia said that Hong Kong's economy is booming. The average annual growth rate of GDP [gross domestic product] in the past five years in real terms was 8.4 percent.

Private investment in plant machinery expanded by 14.2 percent per annum in the same period. The forecast for GDP growth rate this year, at six percent, remains high by international standards. The unemployment rate is at an all-time low of 1.2 percent, she said.

In addition to that, Dame Lydia said, a large number of major public and private sector projects being executed or planned have payback dates well beyond 1997.

These costly projects are hard evidence of strong public and private sector confidence in Hong Kong's future, she said.

Bank of China May Issue Notes Prior to 1997

HK0705024089 Hong Kong SOUTH CHINA
SUNDAY MORNING POST in English
7 May 89 p 1

[By Willy Wo-lap Lam in Beijing]

[Text] It is possible that the Bank of China may issue Hong Kong bank notes before 1997, the Secretary for Monetary Affairs, Mr David Nendick, said yesterday.

Mr Nendick was speaking at the end of the three-day Asian Development Board of governors' meeting in Beijing.

At present, only the Hong Kong Bank and Standard Chartered Bank have note-issuing authority.

The Beijing-controlled Bank of China group has the second largest retailing network in Hong Kong after the Hong Kong Bank.

Mr Nendick pointed out that even before 1997, it was perfectly possible for the Bank of China to be a note-issuing financial institution in Hong Kong.

"At some point in time the Bank of China may wish to issue currencies," Mr Nendick added.

"We have had no approach from them," he said. "Clearly that is a matter entirely for them. It is not something for which we would wish or need to take initiative."

Financial analysts in Beijing said the senior Hong Kong official was thought to have raised the subject to test the reaction of Chinese banking officials.

Mr Nendick pointed out that qualifications for note-issuing rights included a wide retail network and a long history of operation in Hong Kong.

Analysts said the Bank of China satisfied both requirements.

At the same time, said analysts, Mr Nendick was anxious to remind Bank of China officials of the factors on which they must base their decision.

He said that note issuing was a "doubtful privilege," the only benefit being that of the status attached to it.

Mr Nendick said all the benefits of issuing currencies accrued to the Exchange Fund because "every note that is issued has to be backed by a non-interest-bearing certificate issued by the Exchange Fund which the banks have to purchase for U.S. dollars."

He said there were disadvantages as well as advantages in being a note-issuing bank.

The government only pays for the printing of the notes and for getting them to the main storage vault in the Hong Kong Bank.

The two issuing banks must foot the bill for transporting notes to their own branches or other banks, for destroying those not fit for re-issue, and for sorting out those that are going to be issued.

Referring to the recent acquisition by the Bank of China of the equities of several of its sister banks in Hong Kong, Mr Nendick said that this was probably in the interest of "a more efficient way of planning and of implementing strategy within the group".

"We are very happy with the way the (Bank of China) group has been developing," he said.

Refugee Influx Continues; Tension Increases

'New Flood' Hits Shore

OW0705070889 Beijing XINHUA in English
1445 GMT 2 May 89

[Text] Hong Kong, May 2 (XINHUA)—Hong Kong is being hit by a new flood of Vietnamese boat people with more than 800 arrivals in three days.

There has been mounting pressures for the Hong Kong Government to find a way of stemming the summer flood of Vietnamese boat people, which the governor, David Wilson, admitted had already posed an "emergency".

Three boats were intercepted by marine police yesterday carrying 197 Vietnamese. And the government was forced to hire a second ferry to hold some of the new arrivals because Green Island, the usual reception center, is constantly full.

It is reported that a third ferry may have to be pressed into service later today.

The ferries, with 788 people on board, are moored on the north side of Stonecutter's Island.

Last year, more than 18,000 Vietnamese sailed into Hong Kong—12,575 of them in the three months of May to July, the best season for making the crossing by sea.

So far this year, the number of arrivals is more than double that of the same period last year.

According to a report in the "SOUTH CHINA MORNING POST", Western diplomats in Southeast Asia predict the influx will continue as more Vietnamese try to leave their country ahead of an international conference scheduled for Geneva next month which is designed to find a solution, including forced repatriation.

Senior legislative councillor, Allen Lee Peng-fei, said: "We don't want this problem (of boat people) to drag on forever.

"Repatriation is part of the screening policy, so we are waiting anxiously for the outcome of the Geneva conference."

SRV Blamed for Problem

OW0905015489 Beijing XINHUA in English
0733 GMT 4 May 89

[Text] Hong Kong, May 4 (XINHUA)—Hong Kong marine police intercepted 640 Vietnamese boat people yesterday, the biggest arrival on a single day since July 23 last year.

The new arrivals pushed the number of Vietnamese boat people in Hong Kong over the 30,000 mark.

Secretary for Security, Geoffrey Barnes, of the Hong Kong Government, charged that the outflow was a political move by the Vietnamese to gain more from the international conference in Geneva next month.

Barnes said, "I believe it is within the Vietnamese Government's power to stop people leaving Vietnam and it is my suspicion that the Vietnam Government is permitting people to leave Vietnam in order to put pressure on the (Governments of) Hong Kong, U.K., Malaysia and other countries in the region in order to achieve some sort of benefits at the Geneva conference."

The Hong Kong Government is being forced to erect canvas tents to house the new arrivals and some detention centers had to house double the official capacity because of the influx.

Since the beginning of this year, almost 5,500 Vietnamese boat people had arrived in Hong Kong, almost double the figure of the same period last year. The Hong Kong Government feared that the total number of Vietnamese in Hong Kong might top 50,000 by the end of this year.

For the provision of emergency accommodation for the boat people here, the Finance Committee of the Legislative Council yesterday approved additional funds of 232.3 million H.K. dollars with 11 legislators voting against the request.

Tension Extends to UK, PRC

HK1005043489 Hong Kong AFP in English
0415 GMT 10 May 89

[By Claudia Mo]

[Text] Hong Kong, May 10 (AFP)—A wave of Vietnamese boat people arrivals here since the beginning of the month has triggered tension between Britain and China over efforts to stop the influx. Beijing has warned Hong Kong to settle the refugee problem before China resumes sovereignty here in 1997.

With that ringing in their ears, top colonial officials here including Governor Sir David Wilson were understood to be rattled on discovering that most of the more than 2,600 Vietnamese boat people to arrive here since May 1 had sailed into Hong Kong after receiving some form of help in China.

Ji Shaoxiang, head of the Foreign Affairs Office of the NEW CHINA NEWS AGENCY's (NCNA's) local branch, Beijing's defacto consulate here, acknowledged that Vietnamese boats were stopping along the southern Chinese coast.

"We give them food and water and other provisions purely on humanitarian grounds. But that doesn't mean we encourage them to come to Hong Kong. They want to come to Hong Kong," Mr. Ji said.

"Hong Kong's refugee problem is entirely the result of its open-door policy" ordered by London, he said. "It is unfair and irresponsible to lay blame on China for this."

Hong Kong's refugee coordinator Mike Hanson said that while almost all arrivals in the past 10 days had called at Chinese ports, "a couple of hundred" had first crossed the Sino-Vietnamese border and then bought a boat in China.

"It's a recent phenomenon ... and we have explained to the Chinese authorities what's going on," Mr. Hanson said. "We are concerned that it may become a major route."

The Hong Kong Government is understood to have issued a strongly-worded letter over the issue to China. But both Mr. Hanson and Mr. Ji refused to comment on the letter's existence. The NCNA official said the Chinese authorities were investigating the land route, noting however that "China shares a very long border with Vietnam."

"You can't expect our officials to line up hand-in-hand along the border to stop any inflow," Mr. Ji said. "The British should understand our difficulty."

Secretary for Security Geoffrey Barnes said earlier that China had been informed of allegations made by boat people arrivals here that they had bribed Chinese coastal officials before hoisting their Hong Kong-bound sails.

"There could be individual cases. We are still investigating," Mr. Ji said, warning however that "exaggerating the corruption allegations wouldn't help reflect the true situation."

Britain and China have also been at odds over whether Vietnamese refugees stranded in Hong Kong after 1997 will have residence rights here.

A 1984 Sino-British pact on the return of the colony to China stipulates that "all non-Chinese nationals who have lived in Hong Kong for at least seven years and who have taken it as their place of permanent residence" will have the right of abode in the territory.

Lu Ping, a senior Beijing official charged with Hong Kong affairs, has however said that Vietnamese refugees would not come under this category.

"They will not become Hong Kong citizens even if they have lived here for 70 years," Mr. Lu told reporters during a visit here in September.

He said Western countries, Britain in particular, should accept refugees from first asylum ports such as Hong Kong.

With resettlement prospects dimming, the influx has pushed Hong Kong's boat people population to more than 30,000, causing an accommodation crisis.

More than half of them landed after June 15 when Hong Kong launched a screening policy to separate genuine refugees fleeing persecution from economic migrants. Those screened out are slated for eventual forced repatriation—a line Hanoi has so far refused to endorse.

Newspaper editorials here have said the recent wave of Vietnamese arrivals had proved the screening policy a flop. "Screening has no effect," headlined the Chinese-language daily the EXPRESS. "It's a total failure," echoed SING PAO.

Editorial on PRC Role

HK0905013589 Hong Kong SOUTH CHINA
MORNING POST in English 9 May 89 p 24

[Editorial: "China Has Key Role in Curbing Boat People"]

[Text] Disturbing evidence is emerging to support claims that Beijing is not doing enough to stop would-be Vietnamese refugees taking overland routes through China to

Hong Kong. Beijing's repeated insistence that Britain should find another home for the boat people before 1997 is at odds with allegations that some Chinese residents and officials are actually aiding and abetting them in their flight from Vietnam. Hong Kong and Britain have a right to expect that China will live up to its responsibility for stemming the tide, by exerting its influence on provincial authorities and by tightening security along its porous border with Vietnam.

As a positive first step, the local branch of the NEW CHINA NEWS AGENCY (NCNA) promised worried Hong Kong officials yesterday that its government would look into the claims, which are gaining credence. Many recent arrivals have told immigration officials that they travelled to Hong Kong partly by train or bus through Guangxi and Guangdong before taking to boats for the last leg of their journey. Their stories appear to confirm long-standing suspicions that some local officials on the mainland are turning a blind eye to an organised trade in refugees, or are even actively supporting it.

With a total of 31,000 Vietnamese refugees and economic migrants already in Hong Kong, and another 20,000 or more expected before the end of September, the problem has reached crisis proportions, and the public reaction in the territory has grown with it.

Resentment aroused by the Legislative Council granting \$232 million for emergency relief last week has been aggravated by the government decision to consider accommodating some refugees in discussed, 30-year-old Tsuen Wan public housing blocks. With thousands of families queuing up for subsidised flats, reaction is bound to be hostile, especially in the vicinity.

The fact that the government has come up with such a radical option, knowing the strength of local opposition, is an indication of the gravity of the situation confronting the territory. Pressure is already growing internally for a rethink of the current policy entailing screening and voluntary repatriation, and the adoption of a harsher course of action.

The deputy director of the Hong Kong and Macao Affairs Office, Mr Li Hou, has already accused the Hong Kong Government of discriminating against Chinese illegal immigrants, by treating its nationals as criminals and the Vietnamese as guests. He also warned that the liberalised treatment of refugees "could spark racial conflict". The theme was echoed by the NCNA Hong Kong bureau chief, Mr Xu Jiatun, who said the Vietnamese residency rights issue should be raised at the Sino-British Joint Liaison Group. These remarks reflect the political and racial tensions with which the Hong Kong Government has to contend, but it will be entitled to feel aggrieved if it is proved that Chinese provincial officials are acting as accessories to a cynical traffic across their country.

In the summer of 1987 and again in December last year, mainland authorities were to stop their own Vietnamese settlers from heading towards Hong Kong, by ordering officials in Guangxi and Guangdong to quash rumours of an impending amnesty in the territory, and by preventing fishermen from selling their vessels to illegal emigrants. Such co-operation is badly needed now to stop Vietnam from using this tragic situation for political and economic ends.

Providing food, water or travel facilities to Vietnamese only exacerbates Hong Kong's crisis, and therefore contradicts Beijing's own stated policy of wanting to see a reduction in the numbers of boat people or refugees in the territory. China has often demonstrated its ability to accomplish almost anything when it has the will. With the interests of Hong Kong at stake, Beijing should act quickly to stop any involvement of its officials—or ordinary citizens—in Guangxi and Guangdong in helping Vietnamese reach the territory.

Governor Urges International Action

HK1205034189 Hong Kong SOUTH CHINA
MORNING POST in English 12 May 89 p 5

[By Simon Macklin and Fiona Macmahon]

[Text] The Governor Sir David Wilson yesterday called for radical new thinking by the international community to find ways of solving the "very real and serious" problem with Vietnamese boat people now facing Hong Kong.

The government was working on ways of repatriating the boat people who did not qualify as refugees but needed support from others overseas, he said.

"We have got to work internationally to make people realise the size of the problem that Hong Kong now faces and to make the international community sufficiently aware of the problem to help us work out and put into effect measures to deal with it."

"That means a lot of hard work and a lot of quite radical thinking about how to deal with this problem."

The government was trying to get an agreement from the Vietnamese authorities for the return of all boat people who did not qualify as refugees.

"We are working as hard as we can to get those arrangements in place. But to do that, it needs the agreement of the Government of Vietnam; that is what we are working on at this moment.

"I can't at this stage tell you when we will be able to achieve it. All I can say is that we are working extremely hard with the support of the British Government to do that."

Sir David said the administration was seeking temporary accommodation for the new arrivals until they could be screened and then returned to Vietnam or resettled.

But he denied the liberalisation of the closed camps had resulted in more Vietnamese boat people arriving in Hong Kong.

"We have had the policy for nearly a year which is not at all a soft policy.

"It is a policy to tell people if they come here they are going to be screened and if they are screened out then the only end-destination for them is to go back to Vietnam," Sir David said.

"That is not a soft policy. I do not believe that policy has contributed to the numbers of people coming here."

The head of the NEW CHINA NEWS AGENCY foreign affairs department in Hong Kong, Mr Ji Shaxiang, claimed earlier this week that the liberalisation policy which allows refugees to leave their camps and seek work had led to the recent influx.

Meanwhile, executive councillor and deputy convener of the Omelco [Office of Members of the Executive and Legislative Councils] security panel, Mrs Rita Fan Hsu Lai-tai yesterday called on the British Government to publicly endorse the policy of forced repatriation.

"Britain must support Hong Kong openly and push the U.S. and the West to unite so they can exercise real pressure on Vietnam," she said.

Given the lack of international interest on the issue the Hong Kong Government should stop trying to pander to other governments and take more notice of the opinions of local citizens.

"Hong Kong cannot afford to cause social unrest or make the people feel they have been ignored just because we want to ensure our humanitarian international image," she said.

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